



PAPERS RELATING TO THE FOREIGN RELATIONS OF THE UNITED STATES

WITH THE ADDRESS OF
THE PRESIDENT TO CONGRESS
DECEMBER 5, 1916 :: :: ::



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NOTE.

Diplomatic correspondence relating to the war of 1914-1918 will be printed in supplementary volumes of "Foreign Relations of the United States."

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ADDRESS OF THE PRESIDENT

Gentlemen of the Congress:

In fulfilling at this time the duty laid upon me by the Constitution of communicating to you from time to time information of the state of the Union and recommending to your consideration such legislative measures as may be judged necessary and expedient, I shall continue the practice, which I hope has been acceptable to you, of leaving to the reports of the several heads of the executive departments the elaboration of the detailed needs of the public service and confine myself to those matters of more general public policy with which it seems necessary and feasible to deal at the present session of the Congress.

I realize the limitations of time under which you will necessarily act at this session and shall make my suggestions as few as possible; but there were some things left undone at the last session which there will now be time to complete and which it seems necessary in the interest of the public to do at once.

In the first place, it seems to me imperatively necessary that the earliest possible consideration and action should be accorded the remaining measures of the programme of settlement and regulation which I had occasion to recommend to you at the close of your last session in view of the public dangers disclosed by the unaccommodated difficulties which then existed, and which still unhappily continue to exist, between the railroads of the country and their locomotive engineers, conductors and trainmen.

I then recommended:

First, immediate provision for the enlargement and administrative reorganization of the Interstate Commerce Commission along lines embodied in the bill recently passed by the House of Representatives and now awaiting action by the Senate, in order that the Commission may be enabled to deal with the many great and various duties now devolving upon it with a promptness and thoroughness which are, with its present constitution and means of action, practically impossible.

Second, the establishment of an eight-hour day as the legal basis alike of work and of wages in the employment of all railway employees who are actually engaged in the work of operating trains in interstate transportation.

Third, the authorization of the appointment by the President of a small body of men to observe the actual results in experience of the

adoption of the eight-hour day in railway transportation alike for the men and for the railroads.

Fourth, explicit approval by the Congress of the consideration by the Interstate Commerce Commission of an increase of freight rates to meet such additional expenditures by the railroads as may have been rendered necessary by the adoption of the eight-hour day and which have not been offset by administrative readjustments and economies, should the facts disclosed justify the increase.

Fifth, an amendment of the existing Federal statute which provides for the mediation, conciliation and arbitration of such controversies as the present by adding to it a provision that, in case the methods of accommodation now provided for should fail, a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.

And, sixth, the lodgement in the hands of the Executive of the power, in case of military necessity, to take control of such portions and such rolling stock of the railways of the country as may be required for military use and to operate them for military purposes, with authority to draft into the military service of the United States such train crews and administrative officials as the circumstances require for their safe and efficient use.

The second and third of these recommendations the Congress immediately acted on. It established the eight-hour day as the legal basis of work and wages in train service and it authorized the appointment of a commission to observe and report upon the practical results, deeming these the measures most immediately needed; but it postponed action upon the other suggestions until an opportunity should be offered for a more deliberate consideration of them. The fourth recommendation I do not deem it necessary to renew. The power of the Interstate Commerce Commission to grant an increase of rates on the ground referred to is indisputably clear and a recommendation by the Congress with regard to such a matter might seem to draw in question the scope of the Commission's authority or its inclination to do justice when there is no reason to doubt either.

The other suggestions—the increase in the Interstate Commerce Commission's membership and in its facilities for performing its manifold duties, the provision for full public investigation and assessment of industrial disputes, and the grant to the Executive of the power to control and operate the railways when necessary in time of war or other like public necessity—I now very earnestly renew.

The necessity for such legislation is manifest and pressing. Those who have intrusted us with the responsibility and duty of serving and safeguarding them in such matters would find it hard, I believe,

to excuse a failure to act upon these grave matters or any unnecessary postponement of action upon them.

Not only does the Interstate Commerce Commission now find it practically impossible, with its present membership and organization, to perform its great functions promptly and thoroughly but it is not unlikely that it may presently be found advisable to add to its duties still others equally heavy and exacting. It must first be perfected as an administrative instrument.

The country can not and should not consent to remain any longer exposed to profound industrial disturbances for lack of additional means of arbitration and conciliation which the Congress can easily and promptly supply. And all will agree that there must be no doubt as to the power of the Executive to make immediate and uninterrupted use of the railroads for the concentration of the military forces of the Nation wherever they are needed and whenever they are needed.

This is a programme of regulation, prevention and administrative efficiency which argues its own case in the mere statement of it. With regard to one of its items, the increase in the efficiency of the Interstate Commerce Commission, the House of Representatives has already acted; its action needs only the concurrence of the Senate.

I would hesitate to recommend, and I dare say the Congress would hesitate to act upon the suggestion should I make it, that any man in any occupation should be obliged by law to continue an employment which he desired to leave. To pass a law which forbade or prevented the individual workman to leave his work before receiving the approval of society in doing so would be to adopt a new principle into our jurisprudence which, I take it for granted, we are not prepared to introduce. But the proposal that the operation of the railways of the country shall not be stopped or interrupted by the concerted action of organized bodies of men until a public investigation shall have been instituted which shall make the whole question at issue plain for the judgment of the opinion of the Nation is not to propose any such principle. It is based upon the very different principle that the concerted action of powerful bodies of men shall not be permitted to stop the industrial processes of the Nation, at any rate before the Nation shall have had an opportunity to acquaint itself with the merits of the case as between employee and employer, time to form its opinion upon an impartial statement of the merits, and opportunity to consider all practicable means of conciliation or arbitration. I can see nothing in that proposition but the justifiable safeguarding by society of the necessary processes of its very life. There is nothing arbitrary or unjust in it unless it be arbitrarily and unjustly done. It can and should be done with a full and scrupulous

regard for the interests and liberties of all concerned as well as for the permanent interests of society itself.

Three matters of capital importance await the action of the Senate which have already been acted upon by the House of Representatives: The bill which seeks to extend greater freedom of combination to those engaged in promoting the foreign commerce of the country than is now thought by some to be legal under the terms of the laws against monopoly; the bill amending the present organic law of Porto Rico; and the bill proposing a more thorough and systematic regulation of the expenditure of money in elections, commonly called the corrupt practices act. I need not labor my advice that these measures be enacted into law. Their urgency lies in the manifest circumstances which render their adoption at this time not only opportune but necessary. Even delay would seriously jeopard the interests of the country and of the Government.

Immediate passage of the bill to regulate the expenditure of money in elections may seem to be less necessary than the immediate enactment of the other measures to which I refer; because at least two years will elapse before another election in which Federal offices are to be filled; but it would greatly relieve the public mind if this important matter were dealt with while the circumstances and the dangers to the public morals of the present method of obtaining and spending campaign funds stand clear under recent observation and the methods of expenditure can be frankly studied in the light of present experience; and a delay would have the further very serious disadvantage of postponing action until another election was at hand and some special object connected with it might be thought to be in the mind of those who urged it. Action can be taken now with the facts for guidance and without suspicion of partisan purpose.

I shall not argue at length the desirability of giving a freer hand in the matter of combined and concerted effort to those who shall undertake the essential enterprise of building up our export trade. That enterprise will presently, will immediately assume, has indeed already assumed, a magnitude unprecedented in our experience. We have not the necessary instrumentalities for its prosecution; it is deemed to be doubtful whether they could be created upon an adequate scale under our present laws. We should clear away all legal obstacles and create a basis of undoubted law for it which will give freedom without permitting unregulated license. The thing must be done now, because the opportunity is here and may escape us if we hesitate or delay.

The argument for the proposed amendments of the organic law of Porto Rico is brief and conclusive. The present laws governing the island and regulating the rights and privileges of its people are not just. We have created expectations of extended privilege

which we have not satisfied. There is uneasiness among the people of the island and even a suspicious doubt with regard to our intentions concerning them which the adoption of the pending measure would happily remove. We do not doubt what we wish to do in any essential particular. We ought to do it at once.

At the last session of the Congress a bill was passed by the Senate which provides for the promotion of vocational and industrial education which is of vital importance to the whole country because it concerns a matter, too long neglected, upon which the thorough industrial preparation of the country for the critical years of economic development immediately ahead of us in very large measure depends. May I not urge its early and favorable consideration by the House of Representatives and its early enactment into law? It contains plans which affect all interests and all parts of the country and I am sure that there is no legislation now pending before the Congress whose passage the country awaits with more thoughtful approval or greater impatience to see a great and admirable thing set in the way of being done.

There are other matters already advanced to the stage of conference between the two Houses of which it is not necessary that I should speak. Some practicable basis of agreement concerning them will no doubt be found and action taken upon them.

Inasmuch as this is, gentlemen, probably the last occasion I shall have to address the Sixty-fourth Congress, I hope that you will permit me to say with what genuine pleasure and satisfaction I have cooperated with you in the many measures of constructive policy with which you have enriched the legislative annals of the country. It has been a privilege to labor in such company. I take the liberty of congratulating you upon the completion of a record of rare serviceableness and distinction.

WOODROW WILSON

DECEMBER 5, 1916.

LIST OF PAPERS, WITH SUBJECTS OF CORRESPONDENCE

CIRCULARS

From and to whom	Date	Subject	Page
Circular.....	1916 Jan. 21	Consular services for Panama. General instruction as to the duties of American consular officers in behalf of the Panaman Government in countries where it has no consular officers of its own.	1
Circular (telegram).....	Jan. 24	Attitude of the United States toward Latin America. Proposition for a general convention	3
Circular.....	Mar. 9	Application of Sec. 11 of the Seamen's Act of Mar. 4, 1915, to foreign vessels. Sec. 11 of the Seamen's Act applies to seamen engaged in the United States for vessels of every foreign nation.	5
.....do.....	Mar. 15	Radio communication in the American Hemisphere. Incloses memorandum containing a compilation of the recommendations of the Departments of State and the Navy.	5
Circular (telegram).....	Mar. 27	Attitude of the United States toward Latin America. Same tenor as circular telegram of Jan. 24, 1916.	3
Circular.....	Apr. 1	Same subject. Same tenor as circular telegram of Jan. 24, 1916	4
.....do.....	June 1	Proposed return of naturalized citizens against whom the presumption of expatriation has arisen. Abrogation of Rule D of the circular of Nov. 18, 1911.	10
.....do.....	June 6	Amendment to rules governing the admission of Chinese, regarding the admissibility of the sons born abroad of Chinese citizens of the United States.	11
.....do.....	June 27	Gifts intended for the President. Instruction to decline to accept them for transmission.	12
.....do.....	June 29	Legislation on negotiable instruments and commercial paper. Instruction to send full information, for the use of the International High Commission.	12
.....do.....	July 3	Opium laws and regulations. Instruction to gather information useful in formulating regulations under Sec. 6 of the Opium Act.	13
.....do.....	Aug. 24	International Farm Congress. Instruction to extend invitation.	14
.....do.....	Sept. 8	International Irrigation Congress. Instruction to extend invitation.	15

ARGENTINA

Mr. McAdoo to Mr. Lansing.	1916 Feb. 18	International High Commission. Review of the work and future program of the High Commission and request for the cooperation of the Department.	18
Mr. Quintana to Mr. Lansing.	Feb. 23	Same subject. Invitation of Argentina to be represented at the Buenos Aires meeting in April of the High Commission.	21
Mr. Lansing to Mr. Quintana.	Feb. 25	Same subject. Transmits reports thought to be of use to the members of the High Commission.	21
Same to same.....	Mar. 7	Same subject. Response to his Feb. 23; gives personnel of the United States delegation.	21
Mr. Polk to Mr. Gonzales et al.	Mar. 14	Same subject. Instruction relating to proposed visit of the United States delegation in certain American countries.	22
Mr. Stimson to Mr. Lansing (telegram).	Apr. 3	Same subject. Reports opening of session of High Commission	23
President de la Plaza to President Wilson (telegram).	Apr. 15	Same subject. Congratulations on the meeting of the High Commission.	23
President Wilson to President de la Plaza (telegram).	May 17	Same subject. Reply to the foregoing.....	23
Mr. Lansing to Mr. Stimson et al.	June 6	Same subject. Instruction to express thanks for the friendly reception of the United States delegation.	24
Mr. Stimson to Mr. Lansing.	June 9	Message of the President. Extracts.....	16
Diplomatic circular.....	June 29	International High Commission. Instruction regarding the future labors of the High Commission.	24

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No.	From and to whom	Date	Subject	Page
	Foreign diplomatic circular.	1916 July 8	Same subject. Transmits copies of Spanish version of uniform warehouse receipts act.	25
	do-----	Aug. 3	Same subject. Transmits memoranda on the proceedings of the central executive council and of the United States section of the High Commission on June 15.	25
	do-----	Oct. 4	Same subject. Transmits "First edition of the committee reports and resolutions adopted at the first meeting of the International High Commission at Buenos Aires in April, 1916."	28
	Mr. Lansing to Mr. Stimson et al.	Dec. 14	Same subject. Incloses copies of draft treaty providing for an international gold clearance fund, with instruction to take up the matter with the foreign office and others with a view to obtaining expressions of opinion.	29

AUSTRIA-HUNGARY

	Mr. Zwiedinek to Mr. Lansing.	1916 Nov. 22	Death of Emperor Francis Joseph and accession of Karl I. Notification of the death of the Emperor.	30
	The Emperor to the President (telegram).	do-----	Same subject and purport.	30
	The President to the Emperor (telegram).	do-----	Same subject. Expression of condolence.	30
1427	Mr. Lansing to Mr. Penfield (telegram).	do-----	Same subject. Instruction to express condolence.	31
	Mr. Lansing to Mr. Zwiedinek.	Nov. 23	Same subject. Reply to his Nov. 22, with expression of condolence.	31
1428	Mr. Lansing to Mr. Penfield (telegram).	do-----	Same subject. Appoints him special ambassador.	31
1551	Mr. Penfield to Mr. Lansing.	Nov. 26	Same subject. Transmits expression of thanks from the Minister of Foreign Affairs.	32
2259	Same to same.	Dec. 3	Same subject. Reports attendance at the obsequies of the late Emperor. Dec. 30 is the date of the coronation of Karl IV and Queen Zita at Budapest.	32

BELGIUM

	Mr. Jusserand to Mr. Lansing.	1916 Feb. 14	Seamen's Act. Acceptance by France of the abrogation of Art. 6, Treaty of 1822, and Arts. 8 and 9, Treaty of 1853, in conflict with the Seamen's Act.	39
1666	Mr. Lansing to Mr. Jusserand.	Mar. 7	Same subject. Acknowledgment of his Feb. 14.	40
	Mr. Lansing to Mr. Osborne (telegram).	Apr. 1	Seamen's act. Instruction to request an early reply to representations made in accordance with Department's May 29, 1915.	33
	Mr. Reinsch to Mr. Lansing (telegram).	Apr. 7	Same subject. Refers to circular of Apr. 1 and requests instruction in reply to Mr. MacMurray's July 11, 1915.	38
1680	Mr. Lansing to Mr. Jusserand.	Apr. 12	Same subject. Replies further to his Feb. 14.	40
	Mr. Lansing to Mr. Reinsch (telegram).	Apr. 21	Same subject. Refers to his Apr. 7; instructs him to address the Chinese Government looking to the abrogation of only the second sentence, Art. 18, Treaty of 1853.	38
118	Mr. Droppers to Mr. Lansing.	May 30	Same subject. The Greek Government consents to abrogation of arts. 12 and 13 of the convention of 1902, except as concerns the Hellenic Navy.	41
253	Mr. Egan to Mr. Lansing (telegram).	June 3	Same subject. Foreign Office accepts proposition to abrogate certain provisions of treaty in conflict with Seamen's Act.	38
795	Mr. Morgan to Mr. Lansing.	June 5	Same subject. Incloses note from Foreign Office stating that provisions relating to commerce and navigation in the treaty of 1823 with Brazil were abrogated in 1841.	30
	Mr. Lansing to Mr. Egan (telegram).	June 30	Same subject. Department is gratified that the Danish Government accepts the proposal of this Government. It is expected that the courts will apply the proper law in the construction of the act, and collectors will accept certificates issued to able seamen by Danish authorities.	39
402	Mr. Osborne to Mr. Lansing.	do-----	Same subject. Incloses Foreign Office note of acceptance by Belgium of the abrogation of Arts. 11 and 12 of the Treaty of 1880, and of Art. 5 of the Congo Treaty of 1891.	33

BELGIUM—Continued

No.	From and to whom	Date	Subject	Page
	Mr. Reinsch to Mr. Lansing (telegram).	1916 June 30	Same subject. Exchange of notes effected to-day terminating as from July 1, 1916, the sentence specified in Department's Apr. 21.	38
	Mr. MacMurray to Mr. Lansing (telegram).	July 11	Same subject. May the abrogation be explicitly confined to the second sentence of Art. 13, Treaty of 1858, which alone concerns arrest of seamen?	37
	Mr. Lansing to Mr. MacMurray (telegram).	July 15	Same subject. Reply to his July 11, to take no action until further instructed.	37
	Mr. Lansing to Mr. Beyens.	Nov. 11	Same subject. Notice of abrogation of the treaty of Jan. 24, 1891, between the United States and Kongo should be given by the Belgian Government	34
	Mr. Beyens to Mr. Lansing.	Dec. 31	Same subject. The treaty of Jan. 24, 1891, between the United States and the Kongo was denounced by the Belgian Government by its note dated June 29, 1916.	35

BRAZIL

	-----	1916 Oct. 30	Treaty for the advancement of general peace, concluded between the United States and Brazil. Proclamation.	43
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CHILE

	-----	1916 Jan. 22	Treaty for the advancement of peace, concluded between the United States and Chile. Proclamation.	46
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CHINA

519	Mr. Reinsch to Mr. Bryan.	1915 Jan. 18	Railway negotiations. Transmits copies of dispatches addressed to the Legation by Mr. Arnold on the present status of the tenders for bridge material for the Canton-Hankow section.	150
266	Mr. Bryan to Mr. Reinsch.	Apr. 9	Same subject. Acknowledges receipt of dispatch No. 519, Jan. 18, 1915. Department approves your notes of Nov. 12, 1914, and Jan. 18, 1915, to the Minister of Communications.	156
624	Mr. Reinsch to Mr. Bryan.	May 6	Same subject. Incloses a copy of the English text of a contract concluded on Mar. 31, 1914, between the Chinese Government and the British and Chinese Corporation (Ltd.), for a loan of £8,000,000 for the construction of a railway from Nanking to Nanchang and thence to Pingsiang.	156
	Mr. Lansing to Mr. Reinsch (telegram).	Nov. 18	Same subject. It is claimed that administration expects to place order for locomotives by private tender contrary to agreement concerning American standards and public opening of bids. Urge Minister of Communications to instruct as promised in your telegram of Nov. 11, 1914.	163
	Mr. Reinsch to Mr. Lansing (telegram).	Nov. 24	Same subject. Managing director of Hukuang Railway agrees to accept tenders for 10 locomotives with alternative American standard specifications.	163
	Same to same (telegram)----	Nov. 26	Same subject. Managing director requires shop erection in bridge contracts. Are American manufacturers willing to guarantee fit without shop erection?	163
835	Same to same-----	do-----	Same subject. Incloses copies of dispatches from the Consulate-General at Hankow, concerning materials for the Hukuang Railways; a copy of Legation's No. 1330 to Hankow, and a copy of a protest lodged with the Minister of Communications in regard to specifications for bridges included in requisition No. 65.	164
	Mr. Lansing to Mr. Reinsch (telegram).	Dec. 17	Same subject. Your telegram of Nov. 26, 3 p. m. Use of template and spacing machines makes all spans exact duplicates. This with inspection consulting engineer should be sufficient.	166

CHINA—Continued

No.	From and to whom	Date	Subject	Page
364	Same to same.....	1915 Dec. 18	Same subject. Steel Products Co. is unwilling to give the guaranty required. States its work is laid out by means of templates and spacing machines; all spans exact duplicates. As Company has bid upon the specifications exactly as called for, urge upon Chinese Government the fairness of these proposals	166
	Mr. Reinsch to Mr. Lansing (telegram)	1916 Jan. 3	Political affairs. Situation more serious from point of view of Central Government. Continued existence of disaffection at Yunnan and Kweichow is likely to encourage opposition elsewhere.	51
876	Same to same.....	do	Same subject. Discusses the Yunnan movement. In present situation, two principal features are the personal unpopularity of Yuan and fear of Japan. Thus far military governors are reported loyal.	51
	Same to same (telegram)...	Jan. 4	Huai River conservancy loan. Reply to Department's Dec. 28, 1915. The Chinese Government will renew the Red Cross option if the bankers will finance restoration of the Grand Canal from the Yangtze to Tschow at not over \$3,000,000.	103
377	Mr. Lansing to Mr. Reinsch.	Jan. 5	Railway negotiations. Acknowledges receipt of dispatch No. 835 of Nov. 26, 1915. Approves of action taken.	167
	Same to same (telegram)...	Jan. 10	Huai River conservancy loan. The Red Cross believes the American International Corporation would be interested in the Grand Canal project on lines suggested in his Jan. 4; states terms desired, including extension Red Cross option on Huai River conservancy project.	103
	Mr. Reinsch to Mr. Lansing (telegram).	Jan. 11	Political affairs. Yunnanese revolutionists are attempting military operations against the south.	53
892	Same to same.....	Jan. 15	Same subject. Revolutionary movement in Yunnan has not passed as yet beyond the stage of a personal revolt. No further defection of military leaders. Representatives of powers, with whom discussion of this matter has been had, feel that delay of recognition of the monarchical government would only serve to encourage irresponsible element.	53
	Same to same (telegram)...	Jan. 19	Same subject. Yunnan revolt still localized. Change in the form of state will probably soon be announced together with a specific declaration of policy. Neutral ministers agree that recognition upon announcement is warranted by actual authority of Government and advisable.	55
	do.....	Jan. 29	Same subject. The Ministers of Spain, Netherlands, Sweden, Portugal and Denmark signified their readiness to cooperate in the recognition of the Imperial Government. No intimation given to the Chinese Government of likelihood of recognition by the United States. Authority of Government in south should be more fully tested.	55
923	Same to same.....	Feb. 4	Huai River conservancy loan. Reply to Department's Jan. 10. The matter is settled according to instructions; four months granted for further investigation; other particulars; pertinent correspondence inclosed.	103
931	do.....	Feb. 9	Political affairs. Presented reply of the President of the United States to President Yuan's message of congratulation on the occasion of Mr. Wilson's marriage. Incloses memoranda concerning a constructive policy for China and regarding the use of foreign experts in the Chinese administration.	56
	Same to same (telegram)...	Feb. 21	Railway negotiations. Suggests either demand for removal of British chief engineer for not adhering in his specifications to principle of equal opportunity or, preferably, action by the American group, prevailing on bankers to issue orders placing standards of the other nations on equal footing.	168
947	Same to same.....	Feb. 23	Political affairs. Supplements dispatch No. 918. Authority of Yuan further weakened through delay in expelling the Yunnanese from Szechuan and through the failure to announce a definite policy with respect to the constitution.	59
955	do.....	Feb. 24	Same subject. Informed that President had discussed the question of an early convocation of Parliament with his Council of State. Commission charged to ascertain whether, under existing laws, the members elected for the citizens convention could be summoned as a parliament, or whether a new election would be necessary. Accession to the throne is indefinitely postponed.	60

CHINA—Continued

No.	From and to whom	Date	Subject	Page
956	Same to same	1916 Feb. 24	Same subject. Unfounded and exaggerated reports concerning condition of affairs in China emanating from Japanese press have given rise to a public belief of widespread and active Japanese intrigue.	61
957	do	do	Same subject. Formal proclamation of monarchy, which was soon to be issued and accompanied by the promulgation of a constitution guaranteeing a parliament elected by the people and with certain powers of financial and general legislation, has been postponed. Reason.	62
958	do	do	Same subject. President announced that in future the Cabinet will have a weekly meeting under the presidency of the Secretary of State for the discussion of matters of public policy; that there will be regular conferences between groups of ministers of state and the chief advisers in the respective branches for the discussion of measures of government.	63
	Mr. Lansing to Mr. Reinsch (telegram).	Feb. 25	Railway negotiations. Your telegram Feb. 21, midnight. American Government expects Chinese Government to enforce observance of agreement by engineers and managing director or to remove and replace them.	168
419	Same to same	Apr. 6	Same subject. Incloses copy of a letter from the American group concerning reports of a Russo-Chinese agreement permitting Russia to build a railroad from Harbin to Aigun with a branch to Tsitsihar; instructions in case of existence of such an agreement.	168
969	Mr. Reinsch to Mr. Lansing.	Mar. 9	Political affairs. Government troops are reported to have scored successes in Szechuan. Situation in Kikiang and Hunan is uncertain.	64
	Same to same (telegram)	Mar. 18	Same subject. Government received telegram from the authorities of Kuangsi in which they demanded cancellation of the Imperial movement and threatened joint action with Yunnan.	65
969	Same to same	Mar. 21	Same subject. Officials of Kuangsi have sided with revolutionists and the military governor of Kwantung can not be absolutely relied upon by the Central Government. Situation in Province of Hunan is also very uncertain.	65
	Same to same (telegram)	Mar. 22	Same subject. Government has decided to promulgate mandate canceling monarchy. Yuan will remain President. Many others who disapproved monarchy will again actively join the Government.	66
	do	Mar. 31	Same subject. Much uneasiness among native population. Certain troops reported to be ready for revolt.	67
1015	Same to same	Apr. 4	Same subject. Incloses translation of the mandate canceling the monarchy. Gives reasons for and result of this cancellation.	67
	Same to same (telegram)	Apr. 5	Same subject. Prospects more favorable for internal peace.	71
		Apr. 7	Loan negotiations. Loan contract for \$5,000,000 between the Chinese Government and Lee, Higginson & Co.	128
	Mr. Reinsch to Mr. Lansing (telegram).	Apr. 11	Political affairs. The fact that revolutionists are without united policy and that no presidential candidate could command general allegiance is making leaders of all factions consider the temporary retention of Yuan. Nanking reports considerable unrest and rumors of impending declaration of independence.	71
88	Mr. Peck to Mr. Lansing	do	Same subject. Apr. 20 is set for an attack on the cities of Kiochau and Kaomi. Weihsen is also to be attacked. Prominent Chinese merchants, adherents of no political party, are being blackmailed by revolutionists under threat of death. Army of revolutionists in Tsingtau is being strengthened by recruits from Manchuria.	71
556	Mr. Jesselyn to Mr. Lansing.	Apr. 12	Same subject. Declaration of independence of Kwantung Province. Reports from interior indicate that conditions there are very bad. Gives make-up of three parties in Southern China.	73
	Mr. Reinsch to Mr. Lansing (telegram).	Apr. 13	Same subject. Chekiang has declared independence and several other provinces are likely to follow. No prospect of united action except opposition to Yuan which is increasing in bitterness.	75

CHINA—Continued

No.	From and to whom	Date	Subject	Page
	Same to same (telegram) ...	1916 Apr. 15	Same subject Bitter factional struggle; Kwangtung, Chekiang quiet In Peking Vice President and Yuan cooperate Governors asking the President to withdraw Latter is looking for suitable man to form coalition cabinet	75
	-----do-----	Apr. 17	Huai River conservancy loan. Reports conclusion of preliminary contract for improvement of Grand Canal in Shantung Province, as part of Huai River conservancy plan The Chinese Government felt obliged, under the Treaty of 1898, to offer participation in the loan to the Germans	106
1031	Same to same -----	Apr. 18	Political affairs. States most cardinal specific facts upon which the situation at present hinges Military governors of Central China are expected to call upon Yuan to retire.	76
	Same to same (telegram) ...	Apr. 20	Huai River conservancy. The contract reported in his Apr. 17 the most favorable ever obtained by foreigners Prompt ratification urged	106
1037	Same to same -----	---do---	Railway negotiations. Incloses copies of a railway loan recently concluded between the Chinese Government and the Russo-Asiatic Bank.	160
	Same to same (telegram) ...	Apr. 21	Political affairs State of uncertainty continues. Revolutionists have no policy but to oust Yuan. The Government, on account of stoppage of the salt income through action of Japanese bank and generally diminished revenue, will be without funds within a month. Very serious situation threatens unless unity and reorganization can be effected without delay.	77
	-----do-----	---do---	Huai River conservancy loan. Further information about the Shantung Canal loan.	107
	-----do-----	Apr. 24	Political affairs. President has issued mandate that hereafter the administration will be carried out by a cabinet responsible to Parliament, to be elected within three months. Names of cabinet members	77
344	Mr. Josselyn to Mr. Lansing.	---do---	Same subject. Incloses copy of a circular telegram addressed to the various Consuls from the tutus of the four southern Provinces Outlying districts have been in the hands of the so-called people's army. Rice supply cut off in many places in the interior.	78
	Mr. Reinsch to Mr. Lansing (telegram).	Apr. 27	Same subject Cabinet has taken over administrative powers; also control over the military Provincial assemblies and national assembly to be called immediately; all Government revenues and expenses to be audited, results published; dissident elements to be won over without the use of arms.	79
	Same to same (telegram) ...	---do---	Huai River conservancy loan. Further information. The Chinese Government observed the treaty with Germany by giving notice. No treaty obligation has accrued as to Japan.	107
1053	Same to same -----	Apr. 28	Loan negotiations. Incloses translation of power granted to the Chinese Minister to negotiate a loan with Lee, Higginson & Co.	133
1056	-----do-----	---do---	Huai River conservancy loan. Refers to his No. 923 of Feb. 4. Enlarges on his foregoing telegrams; the Kiangsu negotiations are going on.	107
	Same to same (telegram) ...	May 6	Political affairs. Government bodies are working quietly for the reunion of all the Provinces. The elimination of Yuan is evidently being prepared to take place as soon as complete control of situation is assured to Tuan and associates.	79
	Mr. Lansing to Mr. Reinsch (telegram).	---do---	Railway negotiations. American Locomotive Sales Corporation advised Ministry of Communications desires to obtain four-year loan of \$1,000,000 upon security requested. Your opinion of value of security requested. Also confirmation of reported purpose of loan to complete Peking-Kulgan Railway extension.	178
	Mr. Reinsch to Mr. Lansing (telegram).	May 10	Political affairs. Revolutionary force of thousand armed men including many Japanese was landed at Wei Lisien May 4 from Tsingtau by a special train and attacked the city, which is reported taken. Japanese refused to carry Chinese force from Tsingtau on the ground that neutrality must be maintained. Chinese protested to Japanese Legation and Foreign Office.	79

CHINA—Continued

No	From and to whom	Date	Subject	Page
	Mr. Lansing to Mr. Koo...	1916 May 11	Agreement between the United States and China extending time for appointment of the commission under Art 2 of the Treaty of Sept 15, 1914. Extension suggested.	50
	Mr. Reinsch to Mr. Lansing (telegram).	---do---	Political affairs. Japanese are reported to be using agents to create panic in Tsinanfu and to urge Governor General to declare independence. Railway station headquarters of armed brigands with whom Chinese can not interfere because station policed Japanese troops.	80
	Same to same (telegram)...	May 12	Railway negotiations. Your telegram of May 6, 4 p. m. Loan in question would seem to be amply secured. Purpose of loan for the cost of extensions of the service both on railway and telegraph stock.	179
	---do-----	May 13	Political affairs. Conference of representatives of governors of 17 loyal provinces is called to meet Nanking May 15. Principal matter for consideration is the further continuance in office of Yuan.	80
	---do-----	May 15	Huai River conservancy loan. Contract for Kiangsu section of the Grand Canal has been signed.	109
1072	Same to same.....	---do---	Same subject. Refers to his No. 1056 of Apr. 28 and enlarges on his telegram of May 15.	109
1075	---do-----	---do---	Same subject. Corrects a minor point of his 1056 of Apr. 28.	119
	Same to same (telegram)...	May 16	Political affairs. Selection by southern leaders of Ts'eh Ch'un-hsuan as commander in chief and Li Yuan-hung as President has resulted in crystallizing support for Yuan. Northeastern generals do not propose to submit to dictation. In Tsinanfu Chinese and Japanese ruffians continue reign of terror.	80
1081	Same to same.....	May 17	Same subject. Discusses the effect of the announcement by the southern leaders of their recognition of Li Yuan-hung as President and of the organization of a provisional government in the southern Provinces. Rumors of impending unrest among the troops in connection with their monthly pay.	81
1082	---do-----	---do---	Railway negotiations. Reports upon an agreement for a railway concession concluded between the Chinese Government and the Siemens-Carey & Co. (Ltd.).	179
	Mr. Koo to Mr. Lansing...	May 19	Same subject. Acceptance of the suggestion made in his May 11.	50
	Mr. Reinsch to Mr. Lansing (telegram).	May 23	Railway negotiations. Reports preliminary railway contract between China and the American firm of Carey.	181
	Same to same (telegram)...	May 24	Political affairs. Resignation of Yuan is believed impending.	82
	Same to same.....	May 25	Same subject. Refers to cable of May 24, 11 p. m. Discusses further the protection of Yuan after resignation.	82
1094	---do-----	May 31	Same subject. Nanking conference adjourned on May 27 without producing any decisive result. Szechuan and Hunan have declared their independence.	83
	Mr. Polk to the American Group.	June 2	Railway negotiations. Your letter of Mar. 31. Asks whether satisfactory understanding has been reached with reference to the participation of American bankers in furnishing necessary funds under the contract reported to have been made by China with the Russo-Asiatic Bank. Does the American group desire any protest to be made in its behalf to the Chinese Government?	181
	Mr. Reinsch to Mr. Lansing (telegram).	June 6	Political affairs. General Li to take oath of office to-morrow morning as President. British and allied ministers assured that presidency would be allowed to devolve constitutionally upon Li.	84
	Mr. Koo to Mr. Lansing...	---do---	Death of President Yuan. Shih-k'ai and succession of President Li Yuan-hung. Notification of the death of President Yuan, and assumption of the presidency by Vice President Li.	98
17	Mr. Lansing to Mr. Koo...	June 8	Same subject. Acknowledgment of his June 6.....	98
	The American Group to Mr. Lansing.	---do---	Railway negotiations. Department's letter of June 2. Have no knowledge of any negotiations with American bankers with respect to their participation in the financing of the contract mentioned. No protest to the Chinese Government is desired on behalf of the American Group at this time.	182
	Mr. Reinsch to Mr. Lansing (telegram).	June 9	Political affairs. Li holds reins of Government without opposition. No doubt southern Provinces will demand changes in the personnel of Cabinet.	84

CHINA—Continued

No.	From and to whom	Date	Subject	Page
	President Li to President Wilson (telegram).	1916 June 9	Death of President Yuan. Message of thanks.....	99
	Mr. Reinsch to Mr. Lansing (telegram).	June 13	Political affairs. Official statement reported given out in Japan to the effect that foreigners in China desire more protection has no foundation. Feeling of confidence in the Republic obtains.	84
1118	Same to same.....	June 14	Railway negotiations. Transmits text of railway agreement between the Chinese Government and the Siam-Carey Co.	182
1119	---do-----	---do---	Political affairs. Any proposal relating to changes in the force patrolling railway should be reported to the Dean of the Diplomatic Corps in order to be submitted to the ministers interested. American commandant so instructed. Such a change would only serve to irritate the Chinese	85
1120	---do-----	---do---	Death of President Yuan. Reports his conveyance of condolence of this Government and incloses correspondence.	99
	Mr. Lansing to Mr. Reinsch (telegram).	June 15	Huai River conservancy loan. The American International Corporation has approved in principle the Shantung agreement and ready to approve Kiangsu agreement if made provincial as well as Government obligation, similar to the Shantung agreement.	119
	Mr. Reinsch to Mr. Lansing (telegram).	June 19	Same subject. States the objections to making the Kiangsu contract provincial as well as national.	120
	Mr. Lansing to Mr. Reinsch (telegram).	June 20	Same subject. Detailed instructions for Shantung and Kiangsu agreements, both to be provincial as well as national.	120
	Mr. Reinsch to Mr. Lansing (telegram).	June 26	Same subject. Renews his objections to making Kiangsu agreement provincial as well as national; suggestions for overcoming the difficulty.	121
	American International Corporation to Mr. Lansing.	June 29	Same subject. Incloses copy of telegram they are sending to their Peking representative in regard to solving the problem raised by Mr. Reinsch. Requests good offices for realizing the suggested arrangement.	122
	Mr. Reinsch to Mr. Lansing (telegram).	June 30	Political affairs. Mandates issued summoning Parliament to resume sessions. Nanking provisional constitution and presidential election law of Oct. 5, 1913, to continue in force. All treaties concluded subsequent to dissolution of Parliament in May, 1914, are to be recognized as valid. Also all laws and mandates excepting those specifically canceled by mandate.	85
	Mr. Lansing to Mr. Reinsch (telegram).	July 3	Huai River conservancy loan. Instruction to cooperate with representative of American International Corporation.	122
1134	Mr. Reinsch to Mr. Lansing.	July 5	Death of President Yuan. Conveys the thanks of President Li for the attendance of President Wilson at a memorial service for the late President Yuan.	100
1143	Same to same.....	July 14	Political affairs. President is prepared to meet the demands of the southern leaders by reviving the provisional constitution of 1912 and summoning the rump parliament. Mandate has been prepared for issue, providing for the arrest and trial of the principals in the monarchical movement. Navy declares its independence of the cabinet at Peking. Appointment of cabinet officers.	86
	The American Group to Mr. Lansing.	July 26	Loan negotiations. Reviews circumstances attending their entrance into Chinese business and withdrawal therefrom. States conditions for reentrance.	134
1155	Mr. Reinsch to Mr. Lansing.	July 31	Political affairs. The breach between the Chin P'u Tang and the Kuo Min Tang has become more apparent. Further comments on political situation.	90
1162	Same to same.....	Aug. 2	Same subject. National Assembly was convoked yesterday and opened by the President, who also took the formal oath of office. Incloses an account of the opening of the Parliament.	91
	Same to same (telegram)---	Aug. 10	Railway negotiations. The Russian Minister has stated to the Chinese Government that any concession outside the Great Wall would violate Russia's option.	188
	Mr. Lansing to Mr. Reinsch (telegram).	Aug. 12	Same subject. Refers to his Aug. 10 and instructs him to safeguard American interests and to try to obtain a copy of the option mentioned.	189
	Mr. Reinsch to Mr. Lansing (telegram).	Aug. 23	Same subject. Reply to Department's Aug. 12. The Minister for Foreign Affairs denies that an agreement exists giving Russia preference in region affected.	189

CHINA—Continued

No.	From and to whom	Date	Subject	Page
	Mr. Lansing to Mr. Reinsch (telegram).	1916 Aug. 24	Same subject. Refers to his Aug. 23 and Department's No. 419 of Apr. 6; instructs opportunistly to call attention of Chinese Government to agreement with American Group ratified Jan. 20, 1910, and statements of Group that their right was never formally relinquished.	189
1187	Mr. Reinsch to Mr. Lansing.	Sept. 4	Political affairs. The Cabinet was approved by both the House of Representatives and the Senate. Opposition to some of the members. It seems unlikely that financial stability can be restored without a foreign loan.	92
1188	Same to same	Sept. 5	Same subject. Cites incidents which show disregard for the authority of the Central Government.	94
	Same to same (telegram) ...	Sept. 15	Loan negotiations. Chinese minister at Washington has been authorized to negotiate loan with western bankers.	138
	...do.....	Sept. 25	Huai River conservancy loan. Japan intervenes in conservancy negotiations, citing the treaty between China and Germany of Mar. 6, 1898, and the treaty between China and Japan of May 25, 1915. Comments.	123
113	Mr. Peck to Mr. Lansing...	Sept. 26	Political affairs. Revolutionist troops at Weihien and Choutsun are reported to have reached an understanding with the Central Government and have submitted to it. More peaceful conditions are being established.	95
115	Same to same	Oct. 6	Same subject. Rebel organization at Kaumi submitted to the Central Government some days ago.	95
26	Mr. Koo to Mr. Lansing...	Oct. 13	Death of President Yuan. Incloses autograph letter of President Li announcing his assumption of the Presidency on June 7, 1916.	100
1224	Mr. Reinsch to Mr. Lansing.	...do....	Huai River conservancy loan. Refers to his No. 1056 of Apr. 28. Reports progress of negotiations for Grand Canal contract in Shantung Province and the Japanese intervention therein; contrast with the situation in Kiangsu Province; criticizes methods of negotiation. Incloses memoranda by the Japanese Legation and the Shantung Provincial Government, and by the American Minister and Secretary of Legation.	123
	Mr. Polk to Mr. Koo.....	Oct. 19	Death of President Yuan. Acknowledgment of his Oct. 13.	101
	Mr. Reinsch to Mr. Lansing (telegram).	...do....	Railway negotiations. Russia protests against the Fengchen-Ninghsia railway concession to Americans; basis of protest; comment.	190
	American International Corporation to Mr. Lansing.	Oct. 23	Same subject. Reply to the foregoing; the corporation desires to avoid implication in the controversy.	193
517	Mr. Lansing to Mr. Reinsch.	Oct. 25	Death of President Yuan. Incloses the President's acknowledgment of President Li's letter, with instructions to forward.	101
	Mr. Reinsch to Mr. Lansing (telegram).	Oct. 26	Railway negotiations. Argues against deference to Russia's unsubstantiated claim by the American International Corporation.	191
1244	Same to same	Oct. 27	Same subject. Transmits copies of the original and supplementary agreements concluded between the Chinese Government and the Siemens-Carey Co.	192
	American International Corporation to Mr. Lansing	Oct. 30	Same subject. Reiterates its position as stated in its Oct. 23.	198
	Department memorandum.	Oct. 31	Same subject. Review of the railway agreement between China and Russia made in 1899 and its bearing on the American contract.	198
1252	Mr. Reinsch to Mr. Lansing.	...do....	Same subject. Incloses correspondence of 1899 and 1910 between the Chinese Foreign Office and the Russian Minister on this subject.	199
	Same to same (telegram) ...	...do....	Political affairs. General Feng Kuo Chang elected Vice President by National Assembly with harmonizing effect.	96
	Mr. Lansing to Mr. Reinsch (telegram).	Nov. 2	Railway negotiations. Refers to his Oct. 19 and 26; instructs him to inform Foreign Office, if Russian protest has been filed, that the United States can not recognize Russian claim to exclusive sphere in the district concerned, which seems not to be embraced in the region referred to in the Chinese note of June 1, 1899.	205
	Mr. Polk to Mr. Reinsch (telegram).	Nov. 6	Huai River conservancy loan. Reply to his telegram of Sept. 25; instruction to inform the Foreign Office that this Government reserves all American rights, and to report any further action by Japan.	127
	Mr. Reinsch to Mr. Lansing (telegram).	Nov. 10	Railway negotiations. Reports execution of instructions of Nov. 2; comment.	205

CHINA—Continued

No.	From and to whom	Date	Subject	Page
1266	Same to same.....	1916 Nov. 15	Same subject. Incloses copy of his note to the Foreign Office reiterating the attitude of the American Government on the subject	206
1267	---do.....	---do---	Huai River conservancy loan Refers to his 1224 and reports a conversation between the First Secretary of the Japanese Legation and Mr. Carey, of the Siemens-Carey Co., in which the former asserted Japan's right to all of Germany's former position in Shantung. The new Governor of Shantung is favorable to the Grand Canal enterprise	127
	Mr. Lansing to Continental & Commercial Trust & Savings Bank.....	Nov. 16	Loans. In reply to oral request he informs them that it is always the policy of the Department to give all possible support and protection to legitimate American enterprises abroad.	138
	-----	---do---	Same subject. Loan agreement between the Chinese Government and the Continental & Commercial Trust & Savings Bank of Chicago, Ill. Text.	138
	Mr. Reinsch to Mr. Lansing (telegram).	Nov. 25	Same subject. Reports ratification by China of the American loan of \$5,000,000	143
1282	Same to same.....	Nov. 28	Railway negotiations. Incloses additional correspondence.	207
1284	---do.....	Nov. 29	Loans. Reports discussion with the French Legation of the security for the American loan; the Minister of Finance has received a protest from the allied members of the Consortium against the loan; Chinese attitude toward the protest.	143
	Same to same (telegram)...	Dec. 2	Same subject. Chinese Government apprehends that it will be reduced to fiscal dependence on certain powers if the Consortium insists upon broad interpretation of Art. 17 of the loan agreement.	145
	Mr. Lansing to Mr. Reinsch (telegram).	Dec. 4	Same subject. Instruction to state to the Foreign Office that this Government finds no conflict of contracts to warrant the protest by foreign bankers.	146
	Same to same (telegram)...	Dec. 5	Same subject. Authorization to state to his interested colleagues the attitude of this Government toward any attempt to exclude American bankers from Chinese business	146
535	Same to same.....	Dec. 7	Railway negotiations. Acknowledgment of his No. 1282 of Oct. 31; restatement of Department's attitude.	209
1294	Mr. Reinsch to Mr. Lansing.	Dec. 8	Death of President Yuan. Reports execution of the instruction of Oct. 25.	102
1295	Same to same.....	---do---	Loans. Refers to his 1284 and submits copies of correspondence between the Chinese Government and the bankers concerning the American loan, and the Legation's note on the same subject to the Minister of Finance.	146
1305	---do.....	Dec. 13	Political affairs. The success and very status of Parliament is much disputed. Minister of Interior and his secretary forced to resign. Much friction between Parliament and the Cabinet.	96
1311	---do.....	Dec. 18	Loans. Attitude of the Russian, Japanese, British and French Ministers toward the American loan.	148
541	Mr. Lansing to Mr. Reinsch.	Dec. 19	Railway negotiations. Approves his action as reported in his No. 1266 of Nov. 15.	209
1317	Mr. Reinsch to Mr. Lansing.	---do---	Same subject. Reports with respect to the progress under the railway agreement of the Siemens-Carey Co.	209

COLOMBIA

	Mr. Thomson to Mr. Lansing (telegram).	1916 Jan. 26	Treaty of Apr. 6, 1914. Reports receiving a Foreign Office note urging action by the United States Senate; a special message to the Senate by the President would relieve the tension existing in Colombia; his explanation of the Senate's delay.	211
248	Same to same.....	---do---	Same subject. Incloses the note referred to in the foregoing and amplifies his telegram.	211
33	Mr. Betancourt to Mr. Lansing	Feb. 2	Same subject. Incloses copy of translation of the note inclosed with the foregoing.	213
	Mr. Lansing to Mr. Thomson (telegram).	---do---	Same subject. Instructs him that he may inform the Colombian Government orally and confidentially that the Foreign Relations Committee of the Senate has reported the Colombian treaty out of committee by a vote of 8 to 7, amending it to reduce the indemnity from \$25,000,000 to \$15,000,000 and make the expression of regret mutual.	213

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No.	From and to whom	Date	Subject	Page
257	Mr. Thomson to Mr. Lansing.	1916 Feb. 4	Same subject. Incloses translation of a Foreign Office note with regard to the report of the Senate Committee on Foreign Relations.	213
	Same to same (telegram)---	Feb. 5	Same subject. Reply to Department's Feb. 2. Reports the character of the reception of the news of the Senate committee's action on the treaty.	214
	-----do-----	Feb. 10	Same subject. Probable action by Colombia in view of the action by the Senate committee.	214
35	Mr. Betancourt to Mr. Lansing.	Feb. 11	Same subject. Requests that the President send a special message to the Senate on the treaty.	215
	Mr. Lansing to Mr. Stone--	Feb. 14	Same subject. Transmits copy of Mr. Thomson's telegram of Feb. 10.	215
	Mr. Thomson to Mr. Lansing (telegram)	Feb. 15	Same subject. Expresses the gratitude of Colombia for the interest taken by the President and the Secretary of State in the approval of the treaty; gives his own reasons for considering its approval of the greatest importance.	216

COSTA RICA

92	Mr. Hale to Mr. Lansing--	1915 May 2	Message of the President, Alfredo Gonzalez, to the Congress. Transmits pamphlet containing the message.	217
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DOMINICAN REPUBLIC

80	Mr. Russell to Mr. Lansing (telegram).	1916 Jan. 3	Political affairs. Changes in Cabinet personnel threaten an uprising.	220
	Same to same (telegram)---	Jan. 19	Same subject-----	220
	Mr. Lansing to Mr. Russell (telegram).	Jan. 24	Same subject. Reply to his Jan. 3 and 19. Refers to Department's Nov. 28 and Dec. 2, 1915, and instructs him to inform President Jimenez that this Government, if requested, will furnish forces necessary to suppress insurrection and maintain order; urge the President not to resign and to keep his government efficient and honest. Can not the President be induced to reconsider his decision as to constabulary or as to financial adviser, or both?	220
	Mr. Russell to Mr. Lansing (telegram).	Mar. 14	Same subject. The Government continues its weak policy, but the arrival of the <i>Castine</i> has had a good effect.	221
	Same to same (telegram)---	Apr. 15	Same subject. Desiderio Arias has usurped the Ministry of War; all factions flock to him except that of Velasquez.	221
	-----do-----	Apr. 16	Same subject. If President Jimenez resigns Congress will surely elect Arias to the Presidency; complications would thereupon ensue; another war vessel is advisable.	221
	-----do-----	-----do-----	Same subject. President Jimenez is practically a prisoner in his country house, but is determined not to resign.	222
	-----do-----	Apr. 17	Same subject. Arias yields; the President fully maintained in authority.	222
	-----do-----	Apr. 27	Same subject. Arias still aggressive. The President is relying on the Legation to solve the problem. He is still restrained in his authority. A battleship and a large force would have a salutary effect.	222
	Mr. Lansing to Mr. Russell (telegram).	Apr. 29	Same subject. This Government intends to support the constituted authorities by all proper means; Admiral Caperton at Port-au-Prince has been directed to cooperate with the <i>Castine</i> .	222
	Mr. Russell to Mr. Lansing (telegram).	May 1	Same subject. Arias has induced the House to pass an impeachment bill against the President, making a show of military force. The President has dismissed Arias. Our Government should not parley with Arias.	222
	Mr. Lansing to Mr. Russell (telegram)	May 2	Same subject. Instructs him to afford the President all support and to notify both factions of the intention of this Government.	223
	Mr. Russell to Mr. Lansing (telegram).	-----do-----	Same subject. The Senate has approved the House bill of impeachment; the Legation has advised the President to avoid provoking a conflict. Arias is in full control of the city; conference to-morrow between Arias and the commanders of the <i>Patrie</i> and <i>Castine</i> .	223

DOMINICAN REPUBLIC—Continued

No.	From and to whom	Date	Subject	Page
	Same to same (telegram)...	1916 May 3	Same subject. Requests additional ships in view of possible trouble if troops are landed.	223
	---do-----	May 5	Same subject. Fighting has begun and <i>Prairie</i> has landed force to protect the Legation. Guard from <i>Castine</i> is protecting foreigners at Haitian Legation.	224
	---do-----	---do---	Same subject. More ships needed.	224
	---do-----	May 6	Same subject. President Jimenez is out of ammunition and requests that American forces take the city; if we do this, it should be for ultimate occupation and not for Jimenez.	224
	Mr. Lansing to Mr. Russell (telegram)	---do---	Same subject. Two destroyers ordered each to Puerto Plata, Macoris and Sanchez; <i>Panther</i> and one destroyer to Port-au-Prince to report to Admiral Caperton.	224
	Mr. Russell to Mr. Lansing (telegram)	May 7	Same subject. In view of presence of American forces, our position is favorable for ultimately obtaining permanent reforms under negotiation since last October.	224
	Same to same (telegram)---	---do---	Same subject. President Jimenez has resigned. Urges retention of American forces as at present.	225
	Mr. Lansing to Mr. Russell (telegram).	---do---	Same subject. Reply to his May 6; Admiral Caperton reports that the President has canceled request that city be occupied by our forces and has placed resignation in your hands. It is particularly desirable that the President be upheld; previous instructions grant authority for any advisable action.	225
	Mr. Russell to Mr. Lansing (telegram)	May 10	Same subject. He is upholding the constitutional authorities; summary of military and political situations; intervention seems inevitable.	225
	Admiral Caperton to Mr. Daniels	May 13	Same subject. At an interview with the rebel leaders he delivered to Arias an ultimatum requiring surrender by May 15.	226
	Mr. Russell to Mr. Lansing (telegram)	May 14	Same subject. Arias and the rebel forces have abandoned the city.	227
	Same to same (telegram)---	May 15	Same subject. Congress should not be allowed to elect a President until peace is thoroughly restored; requests specific instructions.	227
28	Mr. Zielinski to Mr. Lansing	May 17	Same subject. Incloses copies of circulars issued by Admiral Caperton and of one by Señor Troncoso, the civil authority.	228
	Mr. Lansing to Mr. Russell (telegram).	---do---	Same subject. Reply to his May 15, instruction to have Congress delay action on presidential election until the country is pacified and the occasion favorable for the elimination of Arias; to report whether complete disarmament of the revolutionary element may now be opportunely effected; and to give his opinion as to the best procedure in regard to the Presidency.	229
	Mr. Russell to Mr. Lansing (telegram).	May 18	Same subject. Reply to Department's May 17. The House, ignoring his request for delay, has elected Doctor Henriquez to be President; the Senate has not yet acted. Admiral Caperton and he have addressed to Congress a demand to postpone election, which will be enforced if ignored. Jimenez has quit the job and can not be rehabilitated.	229
	Same to same (telegram)---	May 29	Financial affairs. Believes time now opportune for enforcing our interpretation of Art. 3 of the Convention by restoring financial control. Suggestions.	249
	Admiral Caperton to Mr. Daniels (telegram).	May 30	Political affairs. He has directed landing of forces at Puerto Plata and Monte Cristi.	230
	Mr. Russell to Mr. Lansing (telegram).	June 2	Same subject. All probability Henriquez will be elected on Monday unless Senators are arrested. Whoever is chosen should be informed of our desire and intention. We should proceed with occupation and with appointment of financial controller.	230
	Mr. Polk to Mr. Russell (telegram)	June 3	Financial affairs. Whom have you in mind for financial controller?	260
	Mr. Russell to Mr. Lansing (telegram).	June 4	Political affairs. Arrest of Senators planned by the Council of Ministers in order to prevent election of Henriquez to the Presidency. If the Senate nevertheless elects him, will our Government recognize him?	230
	Same to same (telegram)---	June 5	Financial affairs. I had the receivership in mind for controller until definite arrangement can be made. I have notified the Council of Ministers that financial control will be established at once.	260
	Same to same (telegram)---	June 6	Political affairs. Report of incidents related to the attempted presidential election.	231

DOMINICAN REPUBLIC—Continued

No	From and to whom	Date	Subject	Page
	Same to same (telegram)...	1916 June 9	Financial affairs. The receivership must have instructions as to assumption of financial control, and additional help, former Deputy General Receiver Edwards recommended.	250
	do.....	June 14	Political affairs. Henriquez has withdrawn his candidacy and the Senate has agreed on Castro for provisional President.	231
	do.....	June 17	Financial affairs. Protest of Dominican Government against financial control.	251
	do.....	June 20	Political affairs. No immediate election of President seems probable.	231
	do.....	do.....	Financial affairs. The receivership has taken charge of controllership and internal revenue collection is being organized.	251
106	Same to same.....	June 24	Same subject. Incloses copies of protest of Dominican Government against financial control by the United States, which began to be effective on June 16.	251
107	do.....	June 26	Political affairs. Incloses copy of the proclamation issued by Admiral Caperton in regard to the advance of our forces on Santiago.	231
	Same to same (telegram)...	July 7	Same subject. The Fourth Regiment of Marines have entered Santiago without opposition, Arias has surrendered.	232
110	Same to same.....	July 13	Same subject. Discusses the need for disposing of Arias and his Congress.	232
	Same to same (telegram)...	July 25	Same subject. Congress has elected Dr. Francisco Henriquez to the provisional Presidency; he is a brother of Dr. Federico Henriquez who was chosen by Congress on preliminary readings but whom we refused to recognize.	233
	Mr. Folk to Mr. Russell (telegram).	Aug. 2	Same subject. Requests his opinion as to the advisability of recognizing or withholding recognition of the provisional President.	233
	Mr. Russell to Mr. Lansing (telegram)	Aug. 4	Same subject. Reply to Department's Aug. 2. Recognition should be conditioned on amendments to the convention embracing the reforms heretofore suggested.	233
	Same to same (telegram)...	Aug. 10	Same subject. Provisional President, after being plainly informed of the position of our Government in regard to Arias, said "You may say to your Government that with the help of the United States I intend to establish a government of order that will guarantee the peace and prosperity of the country".	234
	do.....	Aug. 18	Financial affairs. Disbursement of Dominican funds suspended until a complete understanding is reached as to certain articles of the convention or until the Dominican Government is amicable. As we are to insist on our interpretation of the convention as to financial control and constabulary, it is advisable to formulate all other reforms we consider necessary other than those outlined in Department's Sept. 15, 1915.	252
	do.....	Aug. 25	Political affairs. Dominican Government contemplates sending a commission to Washington; this should be discouraged. Gives a summary of the points of a draft memorandum for the provisional President to submit to the Department, providing for decrees of acceptance of the <i>status quo</i> and of measures to carry out the demands of this Government precedent to recognition.	234
	do.....	Aug. 26	Same subject. The provisional President says it is not within his power to decree acceptance of the <i>status quo</i> , other aspects of his presidency.	234
	Mr. Lansing to Mr. Russell (telegram).	do.....	Same subject. Refers to his Aug. 4; the provisional Government will not be recognized until favorable to our interpretation of the convention as to control, constabulary, etc., and proves itself free from domination by Arias, who must be arrested if he attempts to leave Santiago or incite revolution.	235
	Same to same.....	Aug. 29	Same subject. Reply to his Aug. 25 and 26; instructs him to discourage the commission plan; gives further suggestions as to the decree desired. The Department will continue its policy in regard to disbursement of finances and recognition of the provisional Government until proposals are definite and it is assumed that revolutionary influences in the Cabinet are terminated.	235
	Mr. Russell to Mr. Lansing (telegram).	Sept. 5	Same subject. Submits a proposition made by President Henriquez specifying his idea of the concessions to be made in exchange for recognition; comments thereon.	236

DOMINICAN REPUBLIC—Continued

No.	From and to whom	Date	Subject	Page
	Mr Lansing to Mr. Russell (telegram).	1916 Sept 8	Same subject. Reply to his Sept. 5; the proposition submitted is insufficient to change the Department's present attitude.	236
	Mr. Russell to Mr Lansing.	Sept 14	Same subject. Recommends not receding from our position as to constabulary, but suspension of payments is making a condition that should be remedied.	237
	Same to same (telegram)-----do-----	-----do-----	Financial affairs. Gives text of a decree which the Dominican President is willing to promulgate in regard to financial control.	253
	-----do-----	Sept 18	Political affairs. Alias arrested for embezzlement.	237
	Mr. Lansing to Mr. Russell (telegram)	Sept. 21	Financial affairs. The Department considers the decree quoted in his Sept 14 unsatisfactory, before submitting tentative counter propositions, the Department desires his opinion as to the best way of effecting reforms, by presidential decree approved by Congress or by submission first to Congress.	253
	Mr Russell to Mr. Lansing (telegram)	Sept. 25	Same subject. Reply to the foregoing-----	254
	Mr. Lansing to Mr. Russell (telegram).	Sept. 30	Same subject. Gives text of Department's counter-propositions as to rural guard and financial control, and suggests their publication.	254
	Mr. Russell to Mr Lansing (telegram)	Oct. 4	Political affairs. The situation is so complicated that he ought to go to Washington for conference.	238
	Mr. Polk to Mr. Russell (telegram).	Oct. 10	Same subject. Instructs him to come to Washington for conference.	238
	Mr Brewer to Mr. Lansing (telegram).	Oct. 24	Same subject. Captain Low and Sergeant Atwood killed and Lieutenant Morrison wounded in arrest of the bandit Baptista, who was killed; Rojas arrested.	238
	Same to same (telegram)-----	Oct. 26	Same subject. Three Dominicans killed in attack on Marine patrol.	239
	Mr Lansing to Mr. Brewer (telegram).	Oct. 28	Same subject. Refers to his Oct. 24 and 26; asks whether or not he thinks American forces have sufficient control to prevent future outbreaks without declaration of martial law.	239
	Mr Brewer to Mr Lansing (telegram).	Oct. 29	Same subject. Dominican officials intimate that we are responsible for recent occurrences.	239
	Same to same (telegram)-----	Oct. 30	Same subject. Reply to Department's Oct. 28. Situation sufficiently under control not to require martial law; its immediate declaration would not have good effect.	239
	-----do-----	Nov. 20	Same subject. Electoral colleges convoked for Dec. 3 to elect Senators and Deputies; if elections are held it will probably result in a victory for ARMS; comment.	240
	Mr. Lansing to the President.	Nov. 22	Same subject. Incloses statement of conclusions reached by the Departments of State and Navy as to the course of action proper to take in the Dominican Republic. Requests instructions.	240
	The President to Mr. Lansing.	Nov. 26	Same subject. Approves and authorizes the course proposed in his Nov. 22.	242
	Mr. Lansing to Mr. Daniels.	Nov. 27	Same subject. Requests that the Navy Department take such action as necessary to put into effect the policy outlined in the papers submitted to and approved by the President, that is, proclamation of military occupation and establishment of martial law in the Dominican Republic.	242
	Mr. Lansing to Mr. Brewer (telegram).	-----do-----	Same subject. Instructs him immediately to confer with Captain Knapp, commander of the American forces in Santo Domingo, and be governed in his actions by the proclamation to be made by Captain Knapp, declaring military occupation and the establishment of martial law.	243
	Mr. Brewer to Mr. Lansing (telegram).	Nov. 29	Same subject. Proclamation of military occupation and government just now made.	243
	General McIntyre to Mr. Baxter (telegram).	Dec. 2	Financial affairs. The General Receiver is directed to place himself at the disposition of the military government; all funds heretofore paid to Dominican Government will be disbursed on order of military government.	255
	Mr. Brewer to Mr. Lansing (telegram).	Dec. 4	Political affairs. Suggests that no recognition be given either the executive or legislative powers, which are generally believed abolished by the proclamation. Statement as to progress in delayed payments under the budget.	243
53	Mr. Perdomo to Mr. Lansing.	-----do-----	Same subject. The Dominican Government makes formal protest against the issuance of the proclamation whereby Captain Knapp has been made Military Governor of the Republic.	244

DOMINICAN REPUBLIC—Continued

No.	From and to whom	Date	Subject	Page
143	Mr. Brewer to Mr. Lansing	1916 Dec. 6	Same subject. Reports movement of a small force under Gen. Lico Perez, a detachment of Marines is after him. Progress of payments under the budget. Incloses copies of Captain Knapp's communication to him in regard to the proclamation, his reply, and text of the proclamation.	245
143	Same to same.....	do.	Financial affairs. Payments under the budget were resumed by the receivership on Dec. 2.	255
	Mr. Lansing to Mr. Russell (telegram)	Dec. 9	Political affairs. Instruction to ascertain whether or not Minister Perdomo was instructed by Henriquez or any member of his Government to make the protest presented by Perdomo to this Department on Dec. 4.	248
	Mr. Russell to Mr. Lansing (telegram).	Dec. 11	Same subject. Reply to Department's Dec. 9. The Dominican Minister for Foreign Affairs telegraphed the Dominican Minister at Washington on Nov. 30 to protest officially to the Department and to foreign missions against the action of American Government.	248
	Same to same (telegram)....	Dec. 14	Same subject. Disappointed petty politicians are the only people dissatisfied with American occupation. Other impressions and suggestions.	249
	Mr. Lansing to Mr. Russell (telegram).	Dec. 20	Same subject. Reply to his Dec. 14. The position of the Legation should be the same as before the proclamation, and it should be understood to be the civil representative of American Government in Santo Domingo; it will advise on all points with the Military Government, which is carrying on the government for the Republic.	249

ECUADOR

101	Mr. Lansing to Mr. Hartman.	1916 Jan. 11	Guayaquil & Quito Ry. Co. Approves action reported in his No. 145 of Oct. 19, 1915.	260
	Mr. Hartman to Mr. Lansing (telegram).	do.	Same subject. Refers to his Oct. 28, 1915, and reports failure of negotiations for private settlement.	260
161	Same to same.....	do.	Same subject. Refers to his 153 of Dec. 5, 1915; incloses copies of correspondence with Foreign Office showing the denial by Ecuador of the right of the United States to intervene diplomatically on behalf of the railway company.	260
		Jan. 24	Treaty for the advancement of general peace, concluded between the United States and Ecuador. Text.	257
	Mr. Lansing to Mr. Hartman (telegram).	Apr. 6	Guayaquil & Quito Ry. Co. Reports received that Ecuador will probably apply for appointment of a receiver for the railroad. Instruction to investigate.	264
	Mr. Hartman to Mr. Lansing (telegram).	Apr. 10	Same subject. Reply to the foregoing; the report was apparently correct, but action is dependent on the attitude of the company toward resumption of negotiations for private settlement.	264
	Mr. Polk to Mr. Hartman (telegram).	July 12	Same subject. The Department and the railway company are disposed to await private settlement negotiations.	264
	Mr. Belden to Mr. Lansing (telegram).	Aug. 1	Same subject. Refers to the foregoing. He is trying to obtain definite information regarding the proposed loan.	265
	Same to same (telegram)....	Sept. 7	Same subject. A joint commission of Senators and Deputies has been appointed to investigate railroad matters.	265
	Mr. Lansing to Mr. Hartman (telegram).	Sept. 12	Protection of Chinese interests in Ecuador. It is reported that a new law is projected in the Ecuadorian Congress placing an exorbitant tax on Chinese resident in Ecuador. Investigate and, if advisable, use good offices in behalf of Chinese.	259
	Same to same (telegram)....	Sept. 28	Guayaquil & Quito Ry. Co. Instruction to say to Ecuador that this Government believes deposits of customs should be resumed at once.	265
	Mr. Hartman to Mr. Lansing (telegram).	Sept. 30	Same subject. Reports encouraging change of personnel in Ecuadorian Government.	266
	Mr. Lansing to Mr. Hartman (telegram).	Oct. 28	Same subject. Refers to Department's Sept. 26 and instructs to report.	266
	Mr. Hartman to Mr. Lansing (telegram).	Oct. 30	Same subject. Reply to the foregoing. Prospects of more satisfactory relations.	266
195	Same to same.....	Nov. 7	Same subject. Refers to Department's Sept. 26 and incloses his Foreign Office note No. 210 of Oct. 8 and the reply thereto No. 48 of Nov. 4.	266

ECUADOR—Continued

No.	From and to whom	Date	Subject	Page
	Mr. Lansing to Mr. Hartman (telegram).	1916 Dec. 14	Same subject. Refers to his Oct. 30 and No. 195 of Nov. 7. Instructs him to seek occasion to intimate to Ecuador that this Government would consider it very unfortunate for Ecuador if she should default on the Jan 1 payment of interest on the prior lien bonds.	268
	Same to same (telegram)---	Dec. 31	Same subject. No reply yet received to Department's Dec 14; instruction to urge upon Ecuador the importance of clearing up its obligations to the bondholders	268
	---do.-----	1917 Jan. 24	Same subject Refers to his telegram of Jan. 11; negotiations for private settlement resumed.	264

FRANCE

1853	Mr Sharp to Mr. Lansing.	1916 Jan. 11	Liability to French military service of naturalized American citizens of French origin and of American-born children of French parentage. Reports unsuccessful representations in behalf of Adrien J. Kirghis, who is about to be called to the colors.	270
1817	Mr. Lansing to Mr. Sharp (telegram)	Jan. 15	Same subject. Make strong representations in behalf of Kirghis.	270
1224	Mr Sharp to Mr. Lansing (telegram).	Jan. 19	Same subject. Records of the Embassy tend to show that the French Government, even in time of peace, has required military service from those subject to it by French law notwithstanding naturalization. All requests based on circumstances similar to those of the Kirghis case since the beginning of the war have been refused. Further action on behalf of Kirghis is believed to be fruitless. Requests instruction.	271
1406	Mr. Lansing to Mr Sharp (telegram)	Mar. 4	Same subject. Instruction to extend good offices to Louis Levy, applying for removal of his name from French military rolls. Born in New York; French father.	271
1302	Mr. Sharp to Mr. Lansing (telegram).	Mar. 10	Same subject. The Foreign Office says that Louis Levy is French, being born abroad of French father, and is subject to military service.	271
1051	Mr. Lansing to Mr Sharp.	Apr. 25	Same subject Instruction to request release of Armand Robert Garrot, born in Chicago 1894; father naturalized 1901.	271
3231	Mr. Bliss to Mr. Lansing--	May 25	Same subject. The Foreign Office declares Garrot to be French and can not be released.	272
1575	Mr. Lansing to Mr. Sharp (telegram).	June 26	Same subject. Upon his mother's urgent request and statement that Armand Garrot has broken leg and tuberculosis, renew request for his release.	272
1673	Same to same (telegram)---	Aug. 25	Same subject. Instruction to report on Garrot case.	273
1557	Mr. Bliss to Mr. Lansing (telegram).	Aug. 26	Same subject. The authorities are willing to have Garrot before a medical board for examination.	273
1600	Same to same (telegram)---	Sept. 15	Same subject. Reports progress of the Garrot case.	273
3724	Same to same-----	Oct. 5	Same subject. Reports release of Leon Karger, as his case plainly fell under one of the categories of exemption from military service recognized by the authorities; i. e., he was born in Paris, 1894, but his father was naturalized as an American citizen in 1877, and Leon had, before leaving America for Europe, opted for American nationality, before the French Consul General.	273
3882	---do.-----	Nov. 4	Same subject. Reports Garrot's discharge as "Réformé No. 2".	274

GERMANY

	Mr Bernstorff to Mr. Lansing.	1916 Nov. 13	Extension of the period of priority fixed by the International Convention for the Protection of Industrial Property. Requests information of the status of the case, and suggests extension of time.	274
2226	Mr. Lansing to Mr. Bernstorff.	Dec. 6	Same subject. His Nov. 13 has been referred to the Secretary of the Interior.	276
2254	Same to same-----	Dec. 20	Same subject. Refers to his Nov. 13 and incloses copy of a letter from the Commissioner of Patents.	276

GREAT BRITAIN

No.	From and to whom	Date	Subject	Page
18	Mr. Bryan to Mr. Spring Rice.	1913 May 19	Overflow of the waters of the Lake of the Woods. The Department is advised that lands are being flooded on the American side of the Lake of the Woods, and that the water may be lowered if the Canadian authorities will remove the stop logs from the dam; asks that the matter be referred to the Canadian authorities.	294
	Mr. Spring Rice to Mr. Bryan.	1914 Jan 23	Same subject. Advises of action taken by the Canadian authorities. Asks whether any representations have been made by the Department to the British Government on this subject.	294
40	Same to same-----	Feb. 5	Application to Porto Rico of the Treaty of 1899 re the tenure and disposition of real and personal property. Requests information.	283
	Mr. Bryan to Mr Spring Rice.	Feb 26	Lake of the Woods. Gives information requested in above note.	295
271	Same to same-----	Mar. 6	Tenure of property in Porto Rico. The provisions of the Treaty of 1899 do not apply to Porto Rico.	283
	British Embassy to the Department.	Mar. 19	Same subject. Requests suggestions from the Department how the provisions of the treaty may be made applicable to Porto Rico.	284
	Mr Bryan to Mr Garrison.	Apr 13	Same subject. Transmits above correspondence and requests views.	284
	Mr. Garrison to Mr. Bryan.	May 18	Same subject. Incloses a letter from the Governor of Porto Rico stating that no objection is seen in the extension of the provisions of the Treaty of 1899 to Porto Rico.	285
	Mr. Spreiter to Mr Bryan (telegram)	1915 July 6	Lake of the Woods. Advises that the extreme high water in the Lake of the Woods, caused by the dam at Kenora, is causing great damage to lands in Minnesota.	296
831	Mr. Lansing to Mr. Spring Rice.	July 8	Same subject. Transmits information contained in above telegram and asks that it be brought to the attention of the Canadian authorities that they may take such steps as may be necessary to maintain the level of the lake at the normal elevation.	296
	Mr. Hammond to Mr. Lansing.	July 10	Same subject. Requests that steps be taken to insure that a greater volume of water be allowed to pass over the dam at Kenora by removing the stop logs from the dam.	296
	Mr. Lansing to Mr Hammond.	July 26	Same subject. Above request has been brought to the attention of the British Ambassador.	297
	Mr. Wyvell to Mr. Lansing.	Aug. 3	Same subject. The International Joint Commission will hold hearings from Sept. 7 to 15, 1915, to take testimony in the case of the Lake of the Woods.	297
309	Mr. Spring Rice to Mr. Lansing.	Aug. 4	Same subject. Reports that proper measures have been taken to reduce the level of the lake.	298
890	Mr. Lansing to Mr. Spring Rice.	Nov. 3	Same subject. The Department is advised that the logs which were removed from the dam have been replaced. Requests that the matter be investigated and such measures taken as will insure the maintenance of a normal level of the lake.	299
444	Mr. Spring Rice to Mr. Lansing.	Dec. 27	Same subject. The question of the overflow of the Lake of the Woods is now being investigated by the International Joint Commission and it is hoped that, when the Commission renders its decision as to the level to be maintained, a joint international control will be arranged which will be satisfactory to all concerned.	299
	Mr. Kluttz to Mr. Lansing.	1916 Feb. 29	Same subject. Announces that the final argument of all interests involved in the case of the Lake of the Woods will be heard on Apr. 4 next at Washington.	300
	Mr. Lansing to the President.	Apr. 10	Tenure of property in Porto Rico. Incloses correspondence with the British Embassy and requests that same be submitted to the Senate for authority to make the provisions of the Treaty of 1899 applicable to Porto Rico. Incloses copy of the treaty.	286
	The President to the Senate.	Apr. 12	Same subject. Transmits a letter from the Secretary of State requesting that the Senate be asked to authorize the extension of the provisions of the Treaty of 1899 to include Porto Rico.	287
1169	Mr. Lansing to Mr. Spring Rice	May 8	Lake of the Woods. The Congress has directed the War Department to make a survey of the Lake of the Woods. The surveying party desires to extend the survey into Canadian waters in or near Buffalo Bay. Requests that permission be obtained from the Canadian authorities.	300

GREAT BRITAIN—Continued

No.	From and to whom	Date	Subject	Page
	Same to same.....	1916 May 16	Same subject. Quotes telegram received from the mayor of Warroad, Minn., stating that the water in the harbor is now at the highest level and requesting relief; asks that it be brought to the attention of the Canadian authorities.	301
144	Mr. Spring Rice to Mr. Lansing.	May 24	Same subject. The Governor General reports that all logs have been removed from the dam at the outlet of the Lake of the Woods so that all the water the outlet is able to discharge is passing through.	301
147	Same to same.....	May 29	Same subject. Incloses copies of reports made to the Canadian Deputy Minister of Public Works explaining existing conditions in regard to height of the water in the Lake of the Woods.	302
1199	Mr. Polk to Mr. Spring Rice.	May 31	Same subject. Acknowledges receipt of No. 144 of May 24, 1916.	303
164	Mr. Spring Rice to Mr. Lansing	June 7	Same subject. The Canadian authorities have no objection to the extension of the survey into Canadian waters of the Lake of the Woods.	304
185	Same to same.....	June 27	Same subject. Further report about the removal of logs from the dam at the outlet of the lake	304
	Mr. Lansing to Mr Spring Rice	July 5	Same subject. Acknowledges receipt of note of June 27, 1916.	305
	Senate resolution.....	Aug. 29	Tenure of property in Porto Rico. Grants authority to apply the provisions of the Treaty of 1899 to Porto Rico.	291
4135	Mr. Lansing to Mr. Laughlin.	Aug. 31	Same subject. Instructs to give formal notice to the British Government that the provisions of the Treaty of 1899 are extended and applied to Porto Rico.	292
1306	Mr. Lansing to Mr. Spring Rice.	....do....	Same subject. Informs him that the American Chargé at London has been instructed to advise the British Government that the provisions of the Treaty of 1899 are extended and applied to Porto Rico.	292
	Mr. Page to Mr. Lansing....	Oct. 23	Same subject. Incloses copy of a note to the British Foreign Office advising that Government of the extension and application of the provisions of the Treaty of 1899 to Porto Rico, and a note from the Foreign Office acknowledging receipt.	293
	.....	Dec. 8	Treaty between the United States and Great Britain for the protection of migratory birds. Text.	279

GUATEMALA

262	Mr. Leavell to Mr Lansing.	1916 Mar. 14	Message of the President. Extracts.....	308
	Mr. Lansing to Mr Méndez.	June 1	Agreement extending time for appointment of the commission under Article 2 of the Treaty of Sept. 20, 1913, effected by exchange of notes. Suggests extension to July 1, 1916	307
	Mr. Méndez to Mr. Lansing	....do....	Same subject. Accepts the suggestion made in his June 1.	307

HAITI

	Mr. Lansing to Mr. Jusserand.	1915 Nov. 16	French interests in Haiti. Reply to his Oct. 27, 1915; outlines the rules to be observed in Haiti in regard to French interests after exchange of ratifications of the Treaty of Sept. 16, 1915.	385
	Mr. Blanchard to Mr. Lansing (telegram).	1916 Jan. 6	Financial and economic affairs. After conference with Ministers of Foreign Affairs and of Finance, desired reforms agreed to by Government and instructions now being carried out by Admiral Caperton.	338
	Admiral Caperton to Mr. Daniels (telegram).	Jan. 7	Same subject. In preparing a system for paying employees and creditors of Haiti, it is important to know whether there is to be a continuation of the system under the treaty after the necessary officials have been appointed. Recommends that treaty arrangement include this method of disbursement.	338

HAITI—Continued

From and to whom	Date	Subject	Page
Same to same	1916 Jan. 8	Political affairs. Disturbance in Port-au-Prince and South Haiti by members of black party in favor of ex-Senator Paulin for President. North Haiti not concerned in the affair. Situation well in hand.	310
Mr. Lansing to Mr. Blanchard (telegram).	do	Financial and economic. Abolition of personal guard for the President held unconstitutional by Haiti. To meet objection Department urges the adoption of following: "The gendarmerie shall be the sole military and police force of the Republic of Haiti and the personal guard of the President shall be formed from members of the gendarmerie."	339
Mr. Russell to Mr. Lansing (telegram).	Jan. 10	Political affairs. Foreign Office has advised me of armed manifestations against Americans in Haiti.	310
Mr. Lansing to Mr. Daniels.	Jan. 11	Several arrests of leaders.	339
Mr. Davis to Mr. Lansing.	Jan. 12	Financial and economic affairs. Desires as comprehensive and efficient method of disbursement as possible. Hopes authorized \$100,000 per month sufficient for current expenditures. Thinks many expenditures contemplated in budgetary law ill advised. Requests instructions to Admiral Caperton.	310
Mr. Blanchard to Mr. Lansing (telegram).	Jan. 13	Political affairs. Résumé of events attending the overthrow and murder of President Vilbrun Guillaume le Sam in 1915.	340
Admiral Caperton to Mr. Daniels.	Jan. 14	Financial and economic affairs. President deems sanction of the Council necessary for disbandment of palace guard and has left matter of settlement with negotiators at Washington.	341
Same to same (telegram) ...	Jan. 16	Same subject. No further funds to be turned over to the Government directly. Payment of salaries are to be made to the individuals under the supervision of Admiral Caperton. Payment by check of a nonnegotiable nature after all lists have been verified.	342
Mr. Lansing to Mr. Blanchard (telegram).	Jan. 18	Same subject. Military maintaining control of ports and organizing gendarmerie. Naval officers in charge of Customs Service and fiscal matters.	343
Mr. Blanchard to Mr. Lansing (telegrams).	Jan. 19	Same subject. Minister Ménos declines to sign agreement embodying the phraseology of the Department concerning gendarmerie. Bring matter to the attention of President and ask that instructions be given to sign.	343
Same to same (telegram) ...	Jan. 20	Same subject. Commission instructed to sign. Meanwhile former palace guard has been paid and replaced by gendarmerie.	344
Same to same	do	Same subject. Legation concurs with the President that the provisional appointment of Paymaster Conard as Receiver General, Captain Beach as Financial Adviser, and Lieutenant Oberlin as engineer would materially assist the Haitian Government.	34
do	do	Same subject. Urges the Department to agree to the picking of the new guard from all the members of the gendarmerie and to the wearing of special insignia. Also to the permanent assignment to this duty.	344
Mr. Lansing to Mr. Daniels.	Jan. 26	Same subject. The Haitian Government has decided to confine guard to an élite corps drawn from the gendarmerie and of which the members will be acceptable to the President. Unless I hear to the contrary, I will, on Monday next, concur in decision.	345
Admiral Caperton to Mr. Daniels (telegram).	Feb. 2	Same subject. Acknowledges letter of Jan. 21, and commends Admiral Caperton's efficient work in safeguarding the interests of all.	345
Same to same	Feb. 3	Same subject. Doctor Audin appointed Minister of Public Instruction. Public Works transferred to Minister Borno. New method of paying employees is being received with satisfaction.	320
		Political affairs. Everything quiet. Haitian Government stated that hereafter all police and military functions will be carried on by the gendarmerie. Government desires to carry out all the wishes of the United States.	

HAITI—Continued

No.	From and to whom	Date	Subject	Page
	Same to same -----	1916 Feb 8	Financial and economic affairs. Injunction brought on bank in many cases attaching salaries. If attachments be allowed, system of discounting salaries will continue to flourish. Judges say that unless they are allowed United States will be shown to have little regard for the Haitian law and customs. I recommend that I be instructed to inform the Government that attachments will not be regarded.	345
	Mr. Daniels to Admiral Caperton (telegram).	Feb. 11	Same subject. Situation as outlined not thoroughly understood. Why will permitting attachments to stand encourage salary discounting? Would the investigation of cause of suit involve such difficulties that all must be recognized or all disregarded?	346
	Admiral Caperton to Mr. Daniels (telegram).	Feb. 12	Same subject. Necessary to issue military order declaring invalid sequestration of one-third of employee's salary, if buying present and future salaries at heavy discount is to be discontinued. Present method of paying will not prevent this practice.	346
	Mr. Lansing to Mr. Blanchard (telegram).	---do---	Same subject. Department sees no objection to permitting attachment of salaries by court injunction for legitimate debts only. But steps should be taken, preferably by Haitian Government, to make attachment by "opposition" impossible under law or military order suggested by Admiral Caperton should be resorted to.	347
	Mr. Blanchard to Mr. Lansing (telegram).	Feb. 15	Same subject. Impossible to repeal by executive decree Haitian law permitting attachment of one-third salary of public employees. Necessary to resort to military order if the desired results are to be obtained.	347
	Mr. Lansing to Mr. Blanchard (telegram).	Feb. 18	Same subject. The Admiral should disregard any form of attachment of salaries which interfere with the purpose of this Government. He may recognize attachment by court injunction, provided it is based upon action for legitimate debts only.	348
	Admiral Caperton to Banque Nationale d'Haiti.	Feb. 20	Same subject. Orders Bank of Haiti to disregard all injunctions on salaries, except where such injunctions do not result from the discounting of salaries.	348
	Mr. Ménos to Mr. Lansing.	Feb. 24	Same subject. Asks that Compagnie Haitienne de Construction be given the means of carrying on the repairing of streets and wharves of Port-au-Prince.	349
	Mr. Blanchard to Mr. Lansing (telegram).	Feb. 26	Same subject. Mandates are still issued by the Government for payments. The Administrator of Customs inquires into the facts and makes payment when considered proper to the individual to whom the amount is due.	349
	Mr. Lansing to Mr. Blanchard (telegram).	Feb. 29	Same subject. Requests recommendation as to the advisability of making payments to the Compagnie Haitienne de Construction as desired by Haitian Government.	350
	Mr. Blanchard to Mr. Lansing (telegram).	Mar. 3	Same subject. Recommends that additional \$5,000 be allowed the Compagnie Haitienne de Construction.	350
	Mr. Lansing to Mr. Blanchard (telegram).	Mar. 8	Same subject. Admiral may increase payments to Compagnie Haitienne de Construction, provided company expends this money in actual work.	350
	Admiral Caperton to Mr. Daniels (telegram).	Mar. 13	Same subject. Gives statement of revenues. Recommends that all valid claims against Haiti be settled and that short-term loan of \$500,000 be expended by American occupancy in settling Haitian debts.	351
	Mr. Ménos to Mr. Lansing.	Mar. 15	Treaty with Haiti. He is ready to exchange ratifications, and incloses an interpretative commentary for consideration in connection with the treaty.	322
	Mr. Daniels to Admiral Caperton (telegram).	Mar. 16	Financial and economic affairs. Authorizes the application of \$500,000 of surplus revenue of Haiti to purposes lawfully pledged by the Government of Haiti prior to July 27, 1915.	351
	Admiral Caperton to Mr. Daniels.	Apr. 5	Political affairs. Senate dissolved. Chamber of Deputies will revise the Constitution so as to conform with treaty. A Council of State will draw up and prepare such changes and laws as may be necessary to be submitted to the assembly.	320
	Mr. Lansing to Mr. Ménos.	---do---	Treaty. As the interpretative commentary submitted in his Mar. 15 was not before the Senate at the time of its ratification of the treaty, it is impossible to consider the views expressed therein, and this Government must insist on an interpretation in accordance with the English text, as agreed upon in 1915 by exchange of notes.	325

HAITI—Continued

From and to whom	Date	Subject	Page
Mr. Ménos to Mr. Lansing.	1916 Apr. 27	Same subject. Reply to the Department's Apr. 5; expresses the hope that this Government will accept the interpretative commentary in so far as it does not conflict with the terms of the treaty.	326
Mr. Lansing to Mr. Ménos.	May 1	Same subject. Accepts his note of Apr. 27 as an agreement on the part of Haiti that the English text of the treaty shall take precedence in interpreting the treaty, and sets May 3 as the date for ratification.	327
Mr. Blanchard to Mr. Lansing (telegram).	May 2	Financial and economic affairs. Transmits memorandum of the Haitian Government relative to the recall of the Haitian Commission at Washington.	352
	May 3	Treaty between the United States and Haiti concerning the finances, economic development and tranquility of Haiti, concluded Sept. 16, 1915. Proclamation and text.	328
Mr. Jusserand to Mr. Lansing.	May 8	Railroad controversy. French Government asks the payment at the earliest possible date of the French bondholders of the Railroad Company of Haiti.	368
Mr. Lansing to Mr. Blanchard (telegram).	May 11	Financial and economic affairs. Commission charged by National Bank on 60,000,000 franc loan only point on which commissioners and bankers can not agree. Commissioners should be instructed to agree with bankers and immediately close entire question.	353
Mr. Lansing to Mr. Jusserand.	---do---	Railroad controversy. The Government of the United States has tendered its good offices in the hope that an early and satisfactory settlement may be had of the difficulties existing between the National Railroad of Haiti and the Haitian Government.	369
Mr. Blanchard to Mr. Lansing (telegram).	May 15	Financial and economic affairs. Commission instructed to agree with bankers.	353
Mr. Farnham to Mr. Stabler.	May 24	Railroad controversy. Incloses copies of a memorandum dealing with claims of the Compagnie Nationale des Chemins de Fer d'Haiti against the Haitian Government.	369
Mr. Blanchard to Mr. Lansing.	May 31	Political affairs. Caco chiefs with other prisoners carrying arms and ammunition escaped from prison. Firing in the city with the loss of several lives. Colonel Waller confident of controlling the situation.	321
Same to same (telegram)---	June 1	Same subject. Everything quiet here. Steps being taken for the apprehension of escaped Caco chiefs and other prisoners.	321
Same to same-----	June 5	Same subject. Codio and Motellus, Caco chiefs, together with nine others, were surrounded and on attempting to escape were shot.	321
Mr. Ménos to Mr. Lansing.	June 12	Financial and economic affairs. Commission instructed to return to Haiti. Special powers to settle matter of Compagnie Nationale des Chemins de fer d'Haiti and other questions to be sent Minister.	353
Mr. Lansing to Mr. Scholle (telegram).	June 15	Same subject. American naval and marine officers are authorized to serve with Haitian constabulary. Request that Minister be immediately instructed to conclude bank and railroad negotiations. Department will recommend a naval officer for Engineer of Public Works.	354
Mr. Wright to Mr. Ménos.	---do---	Railroad controversy. Transmits a copy of a memorandum prepared by the National Railroad of Haiti regarding differences between that company and the Government of Haiti.	374
Mr. Blanchard to Mr. Lansing (telegram).	June 17	Financial and economic affairs. Full powers as given the commission have been forwarded to the Minister.	354
Mr. Lansing to Mr. Blanchard (telegram).	June 23	Same subject. A. J. Maumus and W. S. Mathews nominated as Receiver General and Deputy Receiver of Customs of Haiti.	354
Mr. Ménos to Mr. Lansing.	June 26	Same subject. Haitian Government is pleased that Receiver General and Deputy Receiver have been designated. Claims that it was constrained to suspend its reforms because the American capital for industrial and agricultural works on which it relied was not forthcoming.	355
86 Mr. Adee to Mr. Blanchard.	June 27	Treaty. Incloses copies of the agreements of even date between Haiti and the United States establishing the compensation of the Financial Adviser, Receiver, General and Deputy Receiver General of Customs, and of the engineers, provided for in the treaty of Sept. 16, 1915.	332

HAITI—Continued

No.	From and to whom	Date	Subject	Page
	Mr. Ménos to Mr. Lansing.	1916 June 28	Financial and economic affairs. President of Haiti agrees to appointment of A. J. Maumus as Receiver General and W. S. Matthews as Deputy Receiver General of the Customs.	356
	Mr. Lansing to Mr. Blanchard (telegram).	July 5	Same subject. President has nominated Lieut. Edgar Garfield Oberlin as one of the engineers	356
	Mr. Ménos to Mr. Lansing.	July 7	Same subject. Informs that the President of Haiti has approved the nomination of Lieut. Edgar Garfield Oberlin.	356
	Mr. Polk to Mr. Blanchard (telegram).	July 8	Same subject. President has nominated Mr. Addison T. Kuan as Financial Adviser.	357
	Mr. Lansing to Mr. Ménos.	July 10	Same subject. Acknowledges receipt of a copy of the agreement reached between Haitian Commission and the Haitian Bank. In case the residue of the 5 per cent of the receipts from the customs duties should be insufficient to defray the commission of the bank, the Government will endeavor to reach with the Haitian Government a satisfactory agreement.	357
	Mr. Polk to Mr. Blanchard (telegram).	July 11	Railroad controversy. Although the National Railroad has submitted its argument sometime ago, Minister states he awaits detailed instructions. Please endeavor to expedite.	375
	Mr. Blanchard to Mr. Lansing (telegram).	July 12	Same subject. Minister for Foreign Affairs states information, not instructions, with reference to National Railroad asked for by Minister Ménos is being prepared and will be sent as soon as possible.	375
	Mr. Lansing to Mr. Blanchard.	---do---	Financial and economic affairs. Incloses copy of above note to the Minister of Haiti and copy of the agreement between the Haitian commissioners and the representatives of the National Bank of Haiti.	358
	Mr. Jusserand to Mr. Polk.	July 28	French interests in Haiti. Reply to Department's Nov. 16, 1915. The treaty having been ratified, he proposes putting on record the understanding stated in that letter.	386
72	Mr. Lansing to Mr. Scholle.	Aug 10	Financial and economic affairs. Incloses copy of note from the Minister of Haiti and calls attention to that portion which refers to alleged delays in the establishment of reforms. Discusses reasons for delay and instructs to bring matter to the attention of President and to express the hope that unnecessary delay may not attend the conduct of consequent negotiations.	359
1739	Mr. Lansing to Mr. Jusserand.	Aug. 11	French interests in Haiti. Reply to his July 28; sets forth this Government's understanding of the points referred to in his Nov. 16, 1915.	387
73	Mr. Polk to Mr. Scholle.	Aug. 12	Same subject. Incloses copies of the Department's notes of Nov. 16, 1915, and Aug. 11, 1916, to the French Ambassador.	388
		Aug 24	Treaty. Protocol carrying out the provisions of Article X of the Treaty of Sept. 16, 1915, with reference to the formation of a gendarmerie and its command.	334
		---do---	Same subject. Agreement carrying out the provisions of Article XIII of the Treaty of Sept. 16, 1915, with reference to the control of telegraphs and telephones in Haiti.	337
	Mr. Lansing to the President.	Aug. 25	Same subject. Advises the President of the conclusion of the protocol and the agreement of Aug. 24, 1916.	337
	Mr. Lansing to Mr. Scholle (telegram).	Aug. 31	Railroad controversy. Requests that Government of Haiti instruct Minister Ménos to present immediately Haitian Government's statement in regard to railroad.	375
	Mr. Scholle to Mr. Lansing (telegram).	Sept. 4	Financial and economic affairs. Does the Department wish all Federal civil administrations now conducted by order of the President turned over to the Haitian Government beginning October 1?	360
	Mr. Ménos to Mr. Stabler.	Sept. 6	Railroad controversy. Haitian Government decided in 1915 to postpone foreclosure proceedings to give company time to present a basis of agreement. Papers from his Government do not enlighten him; wishes to know if such basis of agreement was presented.	375
	Mr. Farnham to Mr. Stabler.	Sept. 8	Same subject. Statement as to reasons why the work on the railroad could not be prosecuted faster and why it was stopped entirely.	376
	Mr. Lansing to Mr. Ménos	Sept. 13	Same subject. Reply of National Railroad Co. to the request of Minister Ménos for information concerning the foreclosure proceedings.	378

HAITI—Continued

No.	From and to whom	Date	Subject	Page
	Mr. Ménos to Mr. Stabler...	1916 Sept 21	Same subject. Transmits two copies of reply of the Haitian Government to the memorandum of the National Railroad Co.	379
	Mr Mayer to Mr. Lansing.	Sept 22	Financial and economic affairs. Recommends that Department instruct him to convey to Haitian Government the views of the Department regarding concessions.	360
	Mr Lansing to Mr Mayer (telegram).	Sept 27	Same subject. Until civil administration is satisfactorily and permanently installed and constabulary equipped for efficient service, such institutions as are still inefficient should remain under the control of occupation.	361
	Mr. Wright to Mr Farnham	Sept 28	Railroad controversy. Transmits reply of Haitian Government to the memorandum of the National Railroad Co. Extends Department's good offices for any oral discussion of the points at issue.	383
	Mr Mayer to Mr. Lansing (telegram)	Sept 29	Financial and economic affairs. Has informed the Haitian Government that the Department wishes the situation relative to public works to remain <i>in statu quo</i> .	361
	Mr. Lansing to Mr. Mayer (telegram).	Sept. 30	Same subject. Inform Haitian Government that it is important that all matters relative to concessions be submitted to Financial Adviser for his recommendations	361
	Mr Ménos to Mr Lansing.	Oct 6	Same subject. Haitian Government thinks that even as provided by the convention the appointment as well as the choice of the Haitian custom employees is exclusively within the province of the President of Haiti.	362
103	Mr Blanchard to Mr Lansing	Oct 18	Same subject. Incloses copy of his note to the Foreign Office on granting of concessions and reply of the Foreign Office. Haitian Government will appreciate the recommendations of the Financial Adviser.	363
	Mr Jusserand to Mr. Lansing	Oct. 27	French interests in Haiti. Requests exchange of notes.	385
	Mr Stabler to Mr Lansing.	Nov. 2	Financial and economic affairs. Conference between Mr. Polk and Minister Ménos. Discusses the interpretation of the words "collect, receive and apply" in Article II of the Haitian-American treaty	364
	Mr. Lansing to Mr. Davis (telegram).	...do....	Same subject. Haitian Minister of Foreign Affairs claims that you agreed to two divisions of customs service, one under Receiver General and the other an assessment office under Haitians. No record of such an agreement can be found	365
	Mr. Davis to Mr. Lansing (telegram).	Nov. 3	Same subject. Denies he entered into agreement, either oral or written, with respect to the interpretation of Article II or any other article of Haitian treaty.	365
	Mr. Blanchard to Mr. Lansing (telegram).	Nov. 4	Same subject. Expression that supervision of sanitation and public works rests with Oberlin has not cleared the situation thereto. Government demands the turnover to it of all work under the occupation.	365
	Mr. Ménos to Mr. Lansing.	Nov 10	Same subject. Calls attention that a number of public works and departments are still in the hands of the American forces in Haiti and asks that Article XIII be fully enforced	366
	Mr. Lansing to Mr. Blanchard (telegram).	Dec. 11	Same subject. President has nominated Civil Engineer Ernest R. Gayler, U. S. Navy, to be engineer; Surg. Norman T. McLean, U. S. Navy, to be engineer in charge of sanitation.	366
	Mr. Farnham to Mr. Lansing.	Dec. 14	Railroad controversy. Requests the good offices of the Department to the end of arranging for an arbitration of the questions which the railroad company has vainly endeavored to adjust with the Minister of Haiti.	383
	Mr. Lansing to Mr. Ménos.	...do....	Financial and economic affairs. President nominates Civil Engineer Ernest R. Gayler, U. S. Navy, as engineer officer to the Government of Haiti.	367
		Dec. 22	Treaty. Protocol perfecting the French text of the Protocol of Aug. 24, 1916, relating to the Haitian gendarmerie.	337
22	Mr. Lansing to Mr. Ménos.	...do....	Financial and economic affairs. States that the Government of Haiti was in error in thinking that all public works were to be turned over to it at a stated time. Gives reasons why certain works and departments could not be turned over to that Government.	367

HONDURAS

No.	From and to whom	Date	Subject	Page
		1916		
235	Mr. Ewing to Mr. Lansing.	Jan. 4	Message of the President. Extracts.....	391
68	Mr. Boyle to Mr. Lansing.	May 12	Arrest of J. W. Grace, an American citizen, resulting from a law of Honduras regarding destruction of property by fire. Quotes the terms of the law and calls attention to its dangerous features, requests instructions.	392
103	Mr. Lansing to Mr. Spencer	June 17	Same subject. Refers to Mr. Boyle's No. 68 of May 12 and instructs him to report any attempted application of the law in question	393
318	Mr. Spencer to Mr. Lansing	July 14	Same subject. The Department's No. 103 of June 12 will be complied with.	394
	-----	July 28	Treaty for the advancement of general peace, signed at Washington, Nov. 3, 1913. Proclamation.	389
344	Mr. Spencer to Mr. Lansing	Aug. 31	Arrest of Grace. Reports arrest of J. W. Grace, an American citizen, at Tela, on a charge of arson.	394
346	Same to same.....	Sept 6	Same subject. Grace has been released and the conduct of the Tela comandante is being investigated.	395
113	Mr. Lansing to Mr. Spencer.	Sept 23	Same subject. Instructs him that if the investigation show the facts to be as stated in his 344, he will request the Government to bring the guilty party to justice.	395
368	Mr. Spencer to Mr. Lansing.	Oct 24	Same subject. Incloses copy of his representations to the Foreign Office. Reports an interview with the President, who promised the removal of the Tela comandante.	396
119	Mr. Lansing to Mr. Spencer.	Nov. 22	Same subject. Approves the action reported in his 368 of Oct. 24.	397
123	Mr. Lansing to Mr. Ewing.	Dec. 13	Same subject. Incloses copy of a dispatch from the American Consul at Ceiba reporting that the Tela comandante has been removed.	397

ITALY

		1916		
707	Mr. Lansing to Mr. Penfield.	Jan 8	Liability to military service. Instruction to request release of Frank Ghiloni.	398
266	Mr. Lansing to Mr. Page..	Jan. 12	Same subject. Instruction to request release of Angelo Mazza.	399
539	Mr. Page to Mr. Lansing (telegram).	Jan. 19	Same subject. Reports refusal of authorities to release Enrico Ajello.	399
276	Mr. Lansing to Mr. Page..	Jan. 25	Same subject. Instruction to request release of John Zuffi.	400
450	Mr. Page to Mr. Lansing (telegram)	Feb 3	Same subject. Reports refusal of the authorities to release Giacomo Mazza.	400
481	Mr. Lansing to Mr. Page (telegram).	Feb. 17	Same subject. Instruction to present again the case of Enrico Ajello.	401
567	Mr. Page to Mr. Lansing (telegram).	Feb. 18	Same subject. Reports authorities have definitely ruled against release of Ajello.	401
482	Mr. Lansing to Mr. Page (telegram).	---do---	Same subject. Further instructions for reopening the Ajello case.	401
1129	Mr. Lansing to Mr. Penfield (telegram).	---do---	Same subject. Further instructions for the Ghiloni case	402
1172	Mr. Penfield to Mr. Lansing (telegram).	Mar 3	Same subject. Reports progress of Ghiloni case.....	402
461	Mr. Page to Mr. Lansing..	Mar. 4	Same subject. Reports status of the Ajello case; interview with the Foreign Minister about proposed naturalization treaty; detention of wives and children of naturalized citizens with a view to compelling their husbands and fathers to return to Italy for military service.	402
1185	Mr. Penfield to Mr. Lansing (telegram).	Mar. 14	Same subject. Reports request for guaranties in Ghiloni case.	404
1404	Same to same.....	Mar. 16	Same subject and purport.....	404
1167	Mr. Lansing to Mr. Penfield (telegram).	Mar. 21	Same subject. Inquires nature of guaranties desired in Ghiloni case.	405
309	Mr. Lansing to Mr. Page..	Mar. 23	Same subject. As the Italian law provides that an Italian citizen born and residing in foreign parts, who considers himself Italian, retains his Italian citizenship but may abandon it when he becomes of age, ask the Government what evidence of abandonment of Italian nationality will be satisfactory.	405
1205	Mr. Penfield to Mr. Lansing (telegram).	Mar. 27	Same subject. Conditions imposed by Austrian Government for release of Ghiloni.	405
1179	Mr. Lansing to Mr. Penfield (telegram)	Mar. 31	Same subject. Instruction as to conditions on which to ask release of Ghiloni.	406
518	Mr. Lansing to Mr. Page (telegram).	---do---	Same subject. Instruction concerning report on Ajello.	407
316	Mr. Lansing to Mr. Jay....	Apr. 10	Same subject. Instruction to request the release of Donato De Fato.	407

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No	From and to whom	Date	Subject	Page
		1916		
324	Same to same.....	Apr. 18	Same subject. Instruction to request the release of Joseph Orochi	408
532	Same to same (telegram)...	Apr. 21	Same subject. Instruction to report on Mazzei case...	408
1204	Mr. Lansing to Mr. Penfield (telegram).	Apr. 25	Same subject. Instruction to report on Ghiloni case.	408
333	Mr. Lansing to Mr. Jay....	May 1	Same subject. Reply to his 461 of Mar. 4, with full instructions on the several matters there brought up	409
633	Mr. Jay to Mr. Lansing (telegram).	May 4	Same subject. Requests instructions in regard to detention of wives and children of American citizens of Italian origin.	411
1248	Mr. Penfield to Mr. Lansing (telegram).	May 5	Same subject. Reports conditions imposed by Austria for release of Ghiloni.	402
634	Mr. Jay to Mr. Lansing (telegram).	May 6	Same subject. Refers to Mr. Page's 633 of May 4. Reports progress.	412
1215	Mr. Lansing to Mr. Penfield (telegram).	May 8	Same subject. Reply to his 1248 of May 5. Ghiloni had better return by Scandinavian route.	412
494	Mr. Jay to Mr. Lansing....	May 9	Same subject. Reports action in pursuance of Department's instruction No. 309 of Mar. 23, incloses Foreign Office note	413
548	Mr. Lansing to Mr. Jay (telegram).	May 12	Same subject. Further instructions in regard to detention of wives and children	414
1599	Mr. Penfield to Mr. Lansing.	May 15	Same subject. Reports conditions upon which the Austrian Government will release Ghiloni.	414
496	Mr. Jay to Mr. Lansing....	May 17	Same subject. Reports his action in pursuance of instructions of May 12, No 548.	415
339	Mr. Polk to Mr. Jay.....	May 19	Same subject. Instruction to request the release of Bartolomeo Licciardo.	416
554	Same to same (telegram)...	May 22	Same subject. Instructs to urge early decision in the Zuffi case.	417
639	Mr. Jay to Mr. Lansing (telegram).	May 23	Same subject. Reports Government's decision to cease restricting the movements of wives and children of American citizens. Reports disinclination of the Government to discuss a naturalization treaty during the war.	417
501	Same to same.....	May 26	Same subject. Discusses at length the general question of detention in Italy for military service of Italian-born citizens of the United States, detention of wives and children, and negotiation of a naturalization treaty.	417
504	-----do-----	May 30	Same subject. Reports reaffirmation of refusal to release Ajello and Ghiloni and other cases of the same nature.	419
1308	Mr. Penfield to Mr. Lansing (telegram).	June 19	Same subject. Frank Ghiloni released, to return to America via Scandinavia.	420
359	Mr. Lansing to Mr. Jay....	June 30	Same subject. Reply to his 501 of May 26; instruction to keep the Foreign Office alive to the deep interest of this Government in having justice done to the wives and children of citizens of the United States, and to bear constantly in mind the need for a naturalization convention.	420
663	Mr. Page to Mr. Lansing...	July 6	Same subject. Refers to Department's 532 of Apr. 21; authorities refuse to release Mazzei; reasons.	421
664	Same to same (telegram)...	-----do-----	Same subject. Zuffi released.....	421
	Mr. Adee to Mr. Hitchcock.	July 12	Same subject. Informs him of the decision of the Italian authorities not to release Mazzei; remarks.	421
532	Mr. Jay to Mr. Lansing....	July 14	Same subject. Refers to Department's 316 of Apr. 10; reports refusal of the authorities to release De Fato.	422
534	Same to same.....	July 17	Same subject. Refers to Department's 339 of May 19; reports refusal of the authorities to release Licciardo	423
370	Mr. Polk to Mr. Page.....	July 25	Same subject. Instruction to request the release of Hostilio Giomi.	423
1366	Mr. Penfield to Mr. Lansing (telegram).	Aug. 2	Same subject. German authorities refuse to visé Ghiloni's passport. Requests instructions.	424
3267	Mr. Polk to Mr. Gerard (telegram).	Aug. 7	Same subject. Instruction to request Foreign Office to grant Ghiloni's return to America.	425
4296	Mr. Gerard to Mr. Lansing (telegram).	Sept. 2	Same subject. German authorities suggest requesting Austrian authorities to permit return of Ghiloni via Switzerland.	424
298	Mr. Lansing to Mr. Stovall (telegram).	Sept. 6	Same subject. Instruction in Ghiloni case.....	425
	Mr. Lansing to Mr. Hitchcock.	Sept. 8	Same subject. States fully, in replying as to the Mazzei case, the position of this Government in regard to the whole contention with Italy concerning the detention of American citizens. Also as to negotiation of a naturalization treaty.	425
566	Mr. Page to Mr. Lansing..	Oct. 14	Same subject. Reports refusal of the authorities to release Hostilio Giomi.	427
1501	Mr. Penfield to Mr. Lansing (telegram).	Oct. 27	Same subject. Reports progress of the Ghiloni case.	427

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733	Mr Page to Mr. Lansing (telegram)	1916 Nov. 17	Same subject. Refers to Department's 324 of Apr. 18. Reports refusal of the authorities to release Orocchi.	427
1559	Mr Penfield to Mr. Lansing (telegram).	Dec. 2	Same subject. The Austrian Government has consented to the repatriation of Frank Ghiloni via Switzerland and France.	428
1871	Mr. Lansing to Mr. Sharp (telegram).	Dec. 8	Same subject. Request French authorities to permit return of Ghiloni via France	428
1765	Mr Sharp to Mr. Lansing (telegram).	Dec 28	Same subject. Reply to Department's 1871 of Dec. 8. The Ghiloni matter has been referred to the competent authorities, who will hasten their reply as much as possible.	428

JAPAN

236	Mr. Lansing to Mr. Guthrie	1916 Jan. 25	Discrimination in freight rates affecting equality of commercial opportunity in China; protest of the United States; reply to his No. 378 of Nov. 4, 1915; instruction to renew representations	446
457	Mr. Guthrie to Mr Lansing	Mar. 3	Same subject. Incloses copy of his note to the Foreign Office in pursuance of Department's 236 of Jan. 25. Requests further instructions.	448
	Same to same (telegram)---	Apr. 7	Treaty between Japan and Russia guaranteeing the territorial rights and special interests of each in the Far East. Reports that the press is publishing the terms as agreed upon. Gives synopsis of reported treaty.	429
790	Mr. Lansing to Mr. Francis (telegram).	Apr. 18	Same subject. Instructs to ascertain facts of reported alliance between Japan and Russia and to report terms of convention.	430
290	Mr. Lansing to Mr. Guthrie	Apr 20	Discrimination in freight rates. Reply to his 457 of Mar. 3. Instructions.	449
518	Mr. Dearing to Mr. Lansing (telegram).	Apr. 24	Treaty between Japan and Russia. The Minister for Foreign Affairs admits that an agreement with Japan is contemplated, but has not been reduced to terms. It will not disadvantageously affect the interests of third parties	430
549	Mr Guthrie to Mr. Lansing	June 20	Same subject. Gives newspaper comments on the proposed treaty.	431
	Same to same (telegram)---	June 30	Same subject. The treaty was approved by the Privy Council yesterday.	431
642	Mr. Francis to Mr. Lansing (telegram).	July 7	Same subject. Quotes terms as published in the press	431
	Mr Guthrie to Mr. Lansing (telegram).	---do----	Same subject. Quotes statement issued by the Foreign Office giving the terms of the convention signed July 3, 1916	432
	Mr. Polk to Mr Guthrie (telegram).	July 8	Same subject. Department awaits detailed mail report showing embassy's interpretation of the treaty.	432
132	Mr. Heintzleman to Mr. Lansing	July 11	Same subject. Quotes newspaper account of the treaty and its supplementary clauses, and comments on the economical aspect of the treaty.	432
	Mr Polk to Mr. Guthrie (telegram).	July 13	Same subject. Asks whether Embassy believes that there are other matters embraced in the treaty in addition to the two articles quoted in his telegram of the 7th instant, and whether the full text will be published	435
653	Mr. Francis to Mr. Lansing (telegram).	July 14	Same subject. Minister for Foreign Affairs Savanoff asserted in an interview that the United States has no occasion for fear or suspicion and that America will be a beneficiary from the treaty.	436
	Mr Guthrie to Mr. Lansing (telegram).	July 16	Same subject. The additional provisions agreed upon but not yet published were read to the British Ambassador. They relate to the transfer of a part of the Chinese Eastern Railway to Japan, fishing rights on the coast of Manchuria and navigation of the Sungari River. The British Ambassador is satisfied that British trading rights are not affected.	436
	Mr. Reinsch to Mr. Lansing (telegram).	July 17	Same subject. The consensus of opinion here is that the treaty will be used by Japan to impress upon Great Britain that Japan is not dependent upon her, and that the European Powers will not oppose Japan's policy in China.	437
562	Mr. Guthrie to Mr. Lansing.	---do----	Same subject. Forwards full text of the treaty as published in the <i>Official Gazette</i> . Quotes newspaper comments on the supplementary agreements.	437

JAPAN—Continued

No.	From and to whom	Date	Subject	Page
563	Same to same.....	1916	Same subject	440
	Mr. Polk to Mr. Reinsch (telegram).	July 18	Comments on the treaty.....	442
		July 24	Same subject. Department is awaiting more definite information before giving an opinion whether favored-nation clause can be invoked if deemed necessary	
	Mr. Lansing to Mr. Guthrie (telegram).	Aug. 16	Same subject. Quotes note to be delivered to the Japanese Foreign Office, stating that this Government is convinced that neither of the contracting parties desire to withdraw from the Root-Takahira agreement of 1908, and that the Department would appreciate if the Japanese Government would furnish a copy of the supplementary articles.	442
954	Mr. Lansing to Mr. Francis (telegram).	---do---	Same subject. This Government understands that the Russian Government has not withdrawn from the Treaty of July 30, 1907, concerning the independence and territorial integrity of China, and would be pleased to receive a confirmation of this understanding from the Russian Government	443
	Mr. Guthrie to Mr. Lansing (telegrams).	---do---	Same subject. It is reported that the new convention provides that Japanese troops will replace Russian troops in Manchuria at the close of the present war.	444
	Same to same.....	Aug. 21	Same subject. The Minister for Foreign Affairs states that Japan has no intention to deviate from the Root-Takahira notes or the prior convention with Russia in relation to China. The transfer of a portion of the Chinese Eastern Railway has not been completed. It is the understanding of the Japanese Government that China's grant of the right of navigation automatically ensues to the benefit of all other nations which have most-favored-nation treaties with China.	444
721	Mr. Francis to Mr. Lansing (telegram)	Aug. 23	Same subject. The Minister for Foreign Affairs has given assurances that the Russian Government will maintain unimpaired the provisions of the Treaty of 1907 though no mention thereof is made in the convention of 1916.	445
	Mr. Guthrie to Mr. Lansing (telegrams).	Aug. 29	Same subject. The British Ambassador at Tokyo states that the treaty meets with the approval of the London authorities	445
	Same to same.....	Sept. 13	Same subject. The Foreign Office has given written assurances on the line of his telegram of Aug. 21, 1916	445
613	---do-----	---do---	Same subject. Incloses copies of note and memorandum from the Japanese Foreign Office on which telegram of even date was based.	446

LIBERIA

3	Mr. Curtis to Mr. Lansing.	1916 Jan. 12	Political affairs. The Liberian Government desires that the <i>Chester</i> be left in Liberian waters until answer has been received to its request for the loan of arms from the United States.	452
	Same to same (telegram)---	Feb. 4	Same subject. The Liberian Government has decided to purchase the arms from the War Department at the stated price.	453
	Mr. Lansing to Mr. Curtis (telegram).	Feb. 7	Same subject. The arms will be shipped on the collier <i>Sterling</i> , carrying supplies to the <i>Chester</i> . Can the <i>Chester</i> be relieved upon arrival of arms?	453
	Mr. Daniels to Mr. Lansing.	Feb. 9	Same subject. The Navy Department is obliged to recall the <i>Chester</i> immediately after the arrival of the shipment of arms to the Liberian Government at Monrovia.	454
	Mr. Curtis to Mr. Lansing (telegram).	Feb. 12	Same subject. The Liberian Government desires that the <i>Chester</i> remain until revolt is crushed. Recommends that the vessel remain two weeks after arrival of arms.	454
	Mr. Lansing to Mr. Daniels	Feb. 14	Same subject. Advises of the above request.....	454
	Mr. Daniels to Mr. Lansing.	Feb 17	Same subject. The commanding officer of the <i>Chester</i> has been directed to proceed to New York no later than two weeks after receipt of the shipment of arms by the Liberian Government.	455
	Mr. Curtis to Mr. Lansing (telegram).	Mar. 17	Same subject. Shipment of arms arrived and was delivered to the Secretary of War.	455
	Mr. Lansing to Mr. Curtis (telegram).	June 5	Financial affairs. It is reported that the Liberian Government will discontinue to pay interest on 1912 loan. Report facts.	458

LIBERIA—Continued

No.	From and to whom	Date	Subject	Page
	Mr. Curtis to Mr. Lansing (telegram).	1916 June 9	Same subject. On account of the war the revenues of the Liberian Government are greatly diminished. Will report in detail by dispatch.	458
26	Same to same.....	June 13	Political affairs. Reports an engagement between the Liberian frontier force and the rebellious Krus, the Kius were defeated and routed.	456
27	.....do.....	.....do.....	Financial affairs. The Liberian Government, on May 27, 1916, gave notice to the National City Bank of New York, fiscal agents, of its inability to continue payments on interest and sinking fund of the 1912 loan. Incloses detailed statement from the Liberian Treasury Department.	459
	Mr. Lansing to Mr. Curtis.	Aug. 24	Political affairs. The Department is gratified to hear of the crushing of the Kru revolt by the Liberian frontier force.	456
1298	Mr. Lansing to Mr. Spring Rice	Aug. 26	Same subject. It is reported that the British ship <i>Prahu</i> landed arms and ammunition for the use of rebellious native tribes in Liberia. Requests that the matter be investigated.	457
44	Mr. Curtis to Mr. Lansing. Same to same (telegram)---	Sept. 30 Nov. 7	Message of the President. Transmits copy of..... Financial affairs. Arrival of an expected cargo steamer will provide sufficient funds to pay June interest on 1912 loan and leave a balance for the July interest. Reports tentative agreement with the Bank of British West Africa for a loan of \$9,000 monthly to the Liberian Government.	461 461
348	Mr. Spring Rice to Mr. Lansing.	Dec. 1	Political affairs. The matter of the landing of arms by the British ship <i>Prahu</i> was investigated and it was learned that no cargo was consigned to Liberian ports, nor was any cargo landed.	457

MEXICO

	Mr. Bryan to Mr. Silliman (telegram)	1914 July 24	Political affairs. Instructs him remain with Carranza until further notice.	465
	Mr. Bryan to Mr. Carothers (telegram).	1915 Jan. 12	Same subject. Travel with Villa until we can find someone to take your place.	479
	Mr. Lansing to Mr. Silliman (telegram).	Dec. 18	Financial affairs. Impress upon Carranza that to compel the National Bank of Mexico to pay its bills of exchange in gold, while it has been obliged to accept current paper money, will prove ruinous to Mexico.	626
	Mr. Parker to Mr. Lansing (telegram).	Dec. 21	Same subject. Carranza is reported to have authorized the courts to accept judicial demands against banks of issue to force them to make immediate redemption of their bank notes in specie. Most energetic representations should be made.	627
	Mr. Silliman to Mr. Lansing (telegrams).	.....do.....	Same subject. Reply to Department's Dec. 18, 6 p. m. Like all other banks, National Bank of Mexico is being required to redeem its notes in Mexican silver, not in gold, in accordance with the law.	628
	Same to same.....	Dec. 22	Same subject. Unable to obtain any further expression on the bank situation from Carranza other than that conveyed in telegram of Dec. 21, 5 p. m.	628
196	Mr. Lansing to Mr. Parker (telegram).	Dec. 24	Same subject. Instructs Parker to repeat his 192, Dec. 21, 5 p. m., relative bank situation to Silliman, Saltillo.	628
	Mr. Lansing to Mr. Silliman (telegram).	.....do.....	Same subject. Upon receiving instructions from Parker, urge upon Carranza the necessity for allowing the banks sufficient time to meet the requirements of banking order.	629
	Mr. Silliman to Mr. Lansing (telegram).	Dec. 27	Same subject. Suggests that a commission representing the banking interests meet with Carranza and state the case fully.	629
198	Mr. Lansing to Mr. Parker (telegrams).	Dec. 28	Same subject. Inform the Minister of Finance that this Government views with grave concern the reported plans of the <i>de facto</i> Government to take drastic action against the banking institutions of Mexico.	630
	Same to same (telegram)---	Dec. 29	Same subject. Silliman suggests commission representing banking interests meet with Carranza.	630
	Mr. Lansing to Mr. Silliman (telegram).	.....do.....	Same subject. Suggestion of commission communicated to Parker.	630

MEXICO—Continued

No.	From and to whom	Date	Subject	Page
207	Mr. Lansing to Mr. Parker (telegram).	1915 Dec 30	Same subject. Advise American citizens not to comply with decree relating to paper money.	631
	Mr. Lansing to Mr. Silliman (telegram).	Dec. 31	Same subject. Request Carranza to suspend enforcement of decree of Dec 6 until the rights of Americans can be brought to attention of <i>de facto</i> Government for consideration.	631
	Mr. Silliman to Mr. Lansing (telegram).	1916 Jan. 1	Same subject. A decree is now being prepared, which it is expected Carranza will shortly sign, permitting banks of issue period of two years in which to redeem their bills in silver.	631
	Mr. Lansing to Mr. Edwards (telegram).	Jan. 3	Protection of Americans and American interests. Request Obregon to send troops to punish looters of property of Cusi Mining Co.	650
	Mr. Silliman to Mr. Lansing (telegram).	Jan. 4	Financial affairs. Reply to Department's 31, 4 p. m. Decrees relating to issuing of paper money no longer in effect. Regrets any loss in consequence of them, but Government not prepared at this time to suggest a mode of relief.	632
	Same to same (telegram).....	Jan. 5	Protection of American mining interests. Chief Executive is disposed to reconsider and reform present mining decrees.	708
	Senate resolution.....	Jan. 6	Political affairs. Requests information concerning the political affairs in Mexico.	463
	Compañia Petrolera Maritima to Mr. Lansing.	Jan. 7	Protection of American oil interests. Protest of Compañia Petrolera Maritima against the attempted cancellation by the Mexican Government of a certain contract or lease held and owned by said company.	741
	Mr. Cobb to Mr. Lansing (telegrams).	Jan. 11	Protection of Americans and American interests. Reports murder of a number of employees of the Cusi Mining Co.	651
	Same to same.....	...do....	Same subject. Murder of the employees of Cusi Mining Co. confirmed.	651
	Mr. Lansing to Mr. Cobb (telegram).	...do....	Same subject. Seek cooperation of authorities in recovering the bodies of Americans recently shot by bandits.	651
	Mr. Cobb to Mr. Lansing (telegrams).	Jan. 12	Same subject. Department's Jan 11, midnight. Mexican authorities cooperating.	651
	Same to same.....	...do....	Same subject. Mexican authorities at Jaurez impressed by gravity of situation and show a present eagerness to act.	652
	Same to same.....	...do....	Same subject. Details of Santa Ysabel massacre as given by the only American survivor.	652
	...do....	...do....	Same subject. More details of the Santa Ysabel massacre.	652
	Mr. Lansing to Mr. Silliman (telegrams).	...do....	Same subject. Railway communication between Durango and Torreon interrupted. Requests Carranza to order adequate forces to vicinity of Durango, Torreon and Gomez Palacio in order to prevent a repetition of outrages.	653
	Same to same.....	...do....	Same subject. Urge Carranza to order the immediate pursuit and punishment of the perpetrators of the Santa Ysabel massacre.	653
	Mr. Lansing to Mr. Arredondo.	...do....	Same subject. Incloses copies of certain telegrams to Mr. Silliman in regard to murder of 16 Americans.	654
	Mr. Arredondo to Mr. Lansing.	...do....	Same subject. Acknowledges Department's note of Jan. 12. Deplores the murder of Americans near Chihuahua City and promises efficient action will be taken to bring murderers to justice.	654
	Mr. Lansing to Mr. Edwards (telegram).	...do....	Same subject. Request protection of Madera Lumber Co. mills in and about Madera.	654
	Mr. Cobb to Mr. Lansing (telegrams).	Jan. 13	Same subject. Train with bodies reached El Paso without mishap; guarded by Mexican soldiers.	655
2	Same to same.....	...do....	Same subject. Certain mining companies are telegraphing their employees to leave and are seeking protection for them. Recommend that Department call upon the <i>de facto</i> authorities to afford protection en route.	655
	...do....	...do....	Same subject. Troops to be hastened to Madera and adequate guard promised for train from Chihuahua to El Paso.	655
	Mr. Lansing to Mr. Silliman (telegram).	...do....	Same subject. Acquaint Carranza with the intense excitement throughout the country caused by the Santa Ysabel massacre. Prompt and efficient action alone will allay such feeling.	656
	Mr. Cobb to Mr. Lansing (telegram).	Jan. 14	Same subject. Reports departure of train bringing employees American Smelting & Refining Co. and others from Chihuahua.	656
	Mr. Lansing to Mr. Edwards (telegram).	...do....	Same subject. Serious situation prevails at Madera. Request adequate force be sent to that place for protection of foreigners against bandits.	656

No.	From and to whom	Date	Subject	Page
	Mr. Lansing to Mr. Cobb (telegram).	1916 Jan. 14	Same subject. Ascertain whether Watson and companions requested military guard for their trip. Had Watson and companions received from Mexican authorities assurances that it would be safe to resume operations at Cusuhuiriacich.	656
	Mr. Silliman to Mr. Lansing (telegram).	---do---	Same subject. Reports the capture and shooting of two Villista generals. Reward is offered for the apprehension of perpetrators of Santa Ysabel outrage.	657
	Mr. Cobb to Mr. Lansing.	---do---	Same subject. Reports the arrival of train bringing 52 Americans out of Mexico.	657
228	Mr. Parker to Mr. Lansing (telegram).	---do---	Financial affairs. Minister of Finance wishes Department to point out concrete cases of proposed drastic measures in order to give proper answer to Department's 198.	632
	Mr. Cobb to Mr. Lansing.	Jan. 15	Protection of Americans and American interests. Reply to Department's Jan. 14, 5 p. m. Gives facts which doubtless led Watson to believe that it was safe to resume operation of mine and to travel on the Northwestern Railroad.	657
	Compañía Petrolera Maritima to Mr. Lansing.	---do---	Protection of American oil interests. Asks that Mexican Government be requested not to disturb property of company until opportunity has been given for defense and its rights determined.	752
	Mr. Williams to Mr. Lansing (telegram).	---do---	Seizure and confiscation of American properties forced loans. Expropriation of all cotton stored at Torreón regardless of ownership.	776
	Mr. Hanna to Mr. Lansing (telegram).	Jan. 16	Protection of Americans and American interests. Reports the arrival of Americans from Mexico. Doing everything possible to get Americans out from dangerous localities.	659
	Mr. Silliman to Mr. Lansing (telegram).	---do---	Same subject. Reply to Department's Jan. 13, 5 p. m. Orders issued by Carranza for the immediate pursuit, capture and punishment of those responsible for the crime.	659
	Admiral Winslow to Mr. Daniels (telegram).	Jan. 17	Same subject. Reports from the Yaqui Valley.	660
	Mr. Edwards to Mr. Lansing (telegram).	---do---	Same subject. First passenger train in 10 days arrived from Casas Grandes bringing about 25 Americans. Conditions reported unalarming. Some expect to return.	660
	Mr. Lansing to Mr. Daniels.	---do---	Political affairs. Requests pertinent facts concerning the occupation of Vera Cruz by our naval forces.	464
	Mr. Lansing to Mr. Baker.	---do---	Same subject. Requests statement embodying orders given for the protection of American life and property on Mexican border and facts concerning the occupation of Vera Cruz.	465
	Same to same.	Jan. 18	Protection of Americans and American interests. <i>De facto</i> Government requests that the military and immigration authorities cooperate with the Mexican authorities by denying the outlaws refuge in the United States.	661
	Mr. Lansing to Mr. Wilson.	---do---	Same subject. The <i>de facto</i> Government of Mexico requests that the military and immigration authorities cooperate with the Mexican authorities in their efforts to exterminate bands of outlaws by denying them refuge in the United States.	661
	Consul Silliman to Mr. Lansing (telegram).	Jan. 19	Political affairs. Villa and other raiders declared outlaws.	465
	Mr. Lansing to Mr. Simplicio (telegram).	---do---	Same subject. Requests number of Americans and Mexicans and others killed on American soil since beginning of uprising against Porfirio Díaz, if possible. Same to Juarez, Piedras Negras, Laredo and Matamoros.	466
	Mr. Lansing to Mr. Baker.	---do---	Same subject. Asks that every effort be made to exclude from the United States any persons against whom there may be ground for suspicion of participation in the outrage at Santa Ysabel.	466
	Mr. Lansing to Mr. Silliman (telegram).	---do---	Protection of American oil interests. Department informed <i>de facto</i> authorities contemplate issuing a decree providing for the nationalization of petroleum. Point out to Carranza the dangerous situation which might arise from the issuance of a confiscatory decree.	752
	Mr. Lansing to Mr. Parker (telegrams).	Jan. 20	Protection of Americans and American interests. Hopes that the campaign against Yaqui Indians be vigorously prosecuted.	661
235	Same to same (telegram).	---do---	Financial affairs. Silliman instructed to repeat to you his telegram of Jan. 1. In view said telegram, further representations unnecessary at this time.	633

MEXICO—Continued

No.	From and to whom	Date	Subject	Page
1861	Same to same	1916 Jan. 20	Same subject. Report available facts as to the amount of money of the invalidated issues referred to in your No. 198, which remains in the hands of Americans.	631
	Mr. Baker to Mr. Lansing.	Jan. 21	Political affairs. Gives instructions sent in accordance with request of Jan. 19.	466
	Mr. Rialfo to Mr. Lansing.	---do---	Seizure and confiscation of American properties. Requests that American representative be instructed to assist Spanish Chargé in his efforts to have decree affecting cotton growers repealed.	776
	Mr. Lansing to Mr. Simpich (telegram).	---do---	Embargo on the exportation of arms and munitions into Mexico. Advise Department from time to time whether permission for shipments of munitions of war for industrial purposes to points in your district should be withheld.	787
	Mr. Silliman to Mr. Lansing (telegram).	---do---	Protection of American oil interests. Department's Jan. 19, 4 p. m. Informed by Secretary in charge of the Department that the Government does not contemplate such a decree.	753
	Mr. Lansing to Mr. Silliman (telegram).	---do---	Same subject. Request Carranza to take appropriate steps suspend the decree of forfeiture against the Compañía Petrolera Maritima and to protect property of company against seizure and interference.	753
	Mr. Lansing to Mr. Parker.	Jan. 22	Protection of Americans and American interests. Request adequate protection for settlers of Los Mochis district.	662
	Mr. Cochran to Mr. Lansing (telegram).	---do---	Embargo against the exportation of arms and munitions into Mexico. Munitions should not, in the opinion of Consul Simpich, be permitted to go to Ures, Alamos, nor to any point south of Guaymas.	788
	Mr. Lansing to Mr. Silliman (telegram).	---do---	Protection of American oil interests. Your Jan. 21, 6 p. m. Department wishes you to take up matter with Carranza in person. Ascertain if contract mentioned directly or indirectly affects the oil rights of American citizens.	754
	Mr. Edwards to Mr. Lansing (telegram).	Jan. 23	Embargo against the exportation of arms and munitions into Mexico. Munitions of war should not be permitted into this district. Conditions bordering on anarchy obtain.	788
	Mr. Post to Mr. Lansing.	Jan. 24	Political affairs. States that request of Jan. 19 will be complied with.	467
	Mr. Hostetter to Mr. Lansing (telegram).	---do---	Embargo against the exportation of arms and munitions to Mexico. Acknowledges Department's Jan. 21, 6 p. m.	788
	Mr. Bevan to Mr. Lansing (telegram).	Jan. 25	Protection of American oil interests. Main points of new oil decree issued by General Aguilar Jan. 15.	754
	Mr. Silliman to Mr. Lansing (telegram).	---do---	Same subject. Department's Jan. 21, 5 p. m. Government of Mexico surprised that the American Government should make the representation when only the interests of Mexican citizens appear affected.	754
	Mr. Lansing to Mr. Edwards (telegram).	---do---	Protection of Americans and American interests. Investigate and report whether there is any foundation for the statement that Carranza is not doing anything to apprehend and punish those guilty of the massacre of Americans.	662
	Mr. Baker to Mr. Lansing.	---do---	Same subject. Incloses a report on the border conditions for the week Jan. 15, 1916.	662
	Mr. Silliman to Mr. Lansing (telegram).	Jan. 26	Protection of American oil interests. Department's Jan. 22. General Carranza informed me personally that pipe line in question would not directly or indirectly affect the oil rights of American citizens.	755
	Same to same (telegram).	---do---	Same subject. Department's Jan. 19, 4 p. m., and Department's Jan. 22. Carranza informed me that the Government was not contemplating the issuance of decree nationalizing petroleum industry.	755
1590	Mr. Bevan to Mr. Lansing.	---do---	Same subject. Transmits a copy of new oil decree issued by General Aguilar on Jan. 15, 1916.	755
273	Mr. Parker to Mr. Lansing.	---do---	Protection of American mining interests. Transmits translation of a circular, which has force of law, concerning the payment of mining taxes.	708
	Mr. Edwards to Mr. Lansing (telegram).	Jan. 27	Protection of Americans and American interests. There is some foundation for the charge made that little is being done to apprehend the guilty parties connected with the Santa Ysabel massacre.	663
	Mr. Silliman to Mr. Lansing (telegram).	---do---	Protection of American oil interests. Quotes a telegram received from the Minister of Fomento giving further information concerning the proposed oil pipe line in the Tuxpam district.	758

No.	From and to whom	Date	Subject	Page
		1916		
	Mr Williams to Mr. Lansing (telegram)	Jan. 27	Seizure and confiscation of American properties. Expropriation foreign-owned cotton stopped.	777
	Mr. Post to Mr. Lansing.	Jan. 29	Political affairs. Supervising inspector, Immigration Service, El Paso, instructed to prevent entry into the United States of any outlaws.	467
	Mr Sawday to Mr. Lansing (telegram).	Jan. 30	Embargo against the exportation of arms and munitions into Mexico. Department's Jan. 21, 6 p. m., should be confined to immediate requirements of known mining operations and public works.	788
	Mr. Lansing to Mr. Silliman (telegrams).	Jan. 31	Protection of Americans and American interests. Ascertain just what is being done to capture and punish murderers.	663
	Mr. Lansing to Mr. Ruffo.	Feb. 1	Seizure and confiscation of American properties. Department informed that expropriation has been stopped.	777
	Mr. Lansing to Mr. Silliman (telegram).	---do---	Protection of American oil interests. Quotes telegram of Jan. 25, 3 p. m., from Vice Consul Bevan. Ask Carranza whether decree issued by his authority. Right of protest reserved. Can not regard as binding, so far as American citizens are concerned, provisions against seeking protection of governments of interested nationals.	758
	Mr. Silliman to Mr. Lansing.	Feb. 2	Same subject. Department's telegram of Feb. 1, 4 p. m. Transmits a copy of the representation made by him in the case.	759
	Mr. Lansing to Mr. Silliman (telegram).	Feb. 5	Same subject. Department's recent telegram concerning oil decree at Vera Cruz. Decree said to operate in favor of Mexican Commission. Renew previous representations and request immediate answer.	759
	Same to same.	---do---	Protection of Americans and American interests. Request authorities to maintain adequate garrison permanently at Los Mochis.	664
	Mr. Letcher to Mr. Lansing.	Feb. 9	Political affairs. Information on the political situation in the consular district of Chihuahua.	468
	Mr. Silliman to Mr. Lansing (telegram).	Feb. 10	Protection of American mining interests. Financial status of Government necessitates drastic tax measures. Change in mining decree to be considered next period. Taxes for next tercio will have to be paid according to terms of the present decree.	709
	Mr. Lansing to Mr. Silliman.	Feb. 11	Same subject. Request an extension of time to pay arrears in taxes. One month is entirely too short to enable mine owners generally to liquidate their arrears of taxes.	709
	Same to same (telegram).	Feb. 16	Political affairs. Instructs Consul to ask authorities for additional troops at Cusuhuirachi for the protection of mining property.	469
	President Wilson to the Senate.	Feb. 17	The President's message to the Senate transmitting a report of the Secretary of State on the Mexican situation.	469
	Mr. Lansing to Mr. Hostetter.	Feb. 18	Protection of Americans and American interests. Can anything be done, through friendly Indians or otherwise, to obtain release of Mrs. John Lehr and children, still held prisoners by Yaquis?	664
	Same to same.	Feb. 19	Same subject. Telegraph status of campaign against Yaqui Indians and whether settlers in Yaqui Valley are now adequately protected.	664
805	Mr. Hostetter to Mr. Lansing.	---do---	Same subject. Acknowledges Department's telegram of Feb. 18. States efforts made to have Yaquis release family of Lehr.	664
	Same to same (telegram).	Feb. 21	Same subject. General Serrano claims campaign against Yaquis is being vigorously pushed. Valley said to be safe.	665
	Mr. Lansing to Mr. Silliman (telegram).	---do---	Protection of American mining interests. All statements of <i>de facto</i> Government concerning mining decrees are unsatisfactory and unresponsive to Department's representations. This Government looks for the annulment or modification of the decrees so as to make them conformable to the Mexican Constitution.	710
	Same to same.	---do---	Same subject. Protests the imposition of arbitrary and excessive taxes. Asks the annulment of the decree of Mar. 1, 1915.	710
	Mr. Lansing to Mr. Hostetter (telegram).	Feb. 24	Protection of Americans and American interests. Call Obregon's attention to the lack of sufficient troops in Chihuahua district.	665
	Mr. Silliman to Mr. Lansing (telegram).	---do---	Protection of American mining interests. Annulment or modification of mining decree can not be had now. Mexican Government considers the Department's interpretation of the Mexican Constitution as untenable. Payments made for mining taxes due and receipts given therefor must be taken as complete liquidation.	713

MEXICO—Continued

No	From and to whom	Date	Subject	Page
	Mr. Lansing to Mr. Silliman (telegram).	1916 Feb. 26	Same subject. Expresses disappointment of this Government at Carranza's attitude toward its representations in a matter so vitally affecting a vast amount of American property. Reaffirms the tenor of its telegrams of June 30, Dec. 28 last, and the 21st instant.	713
	Mr. Lansing to Mr. Rodgers.	Feb. 28	Political affairs. Instructs him to proceed to Mexico as Special Representative of the Department of State.	478
	Mr. Letcher to Mr. Lansing (telegram).	...do....	Protection of Chinese interests. Carranza troops under General Gutierrez at Jimenez, en route to Chihuahua, attacked hotel of Charley Chee, a Chinaman, and robbed guests. Chee was executed the following morning.	795
	Mr. Hostetter to Mr. Lansing (telegram).	Mar. 1	Protection of Americans and American interests. Obregon says that additional troops have been sent to Chihuahua district.	665
	Mr. Cobb to Mr. Lansing (telegram).	Mar. 3	Political affairs. Reports movements of Villa. Believes he intends to cross into the United States and proceed to Washington. Requests instructions.	478
	Mr. Lansing to Mr. Silliman (telegram).	...do....	Protection of Americans and American interests. Request that permanent and adequate guard be stationed at Los Mochis.	666
	Same to same (telegram)	...do....	Protection of Chinese interests. Quotes telegram from Consul Letcher, dated Feb. 28, 1 p. m., and instructs to request appropriate authorities to take steps to punish those guilty of outrages mentioned.	795
	Mr. Lansing to the Compañia Petrolera Maritima	Mar. 4	Protection of American oil interests. Acknowledges company's letter of Jan. 7. States result of action taken by the Department. Suggests company furnish it with a statement of the interests held by American citizens.	760
3	Mr. Silliman to Mr. Lansing (telegram).	...do....	Protection of American mining interests. Delivered Department's mail instructions of Feb. 21, also Department's Feb. 24, 4 p. m.	713
	Same to same (telegram)	Mar. 5	Political affairs. Department's Feb. 16, 5 p. m. Foreign Secretary says that sufficient troops have been sent to guard Cuahuahua region.	478
	Mr. Cobb to Mr. Lansing (telegrams).	Mar. 6	Same subject. Villa reported to be proceeding to border.	479
	Same to same	Mar. 7	Same subject. Further movements of Villa.	479
	...do....	Mar. 8	Same subject. Villa forces not being pursued because of insufficient troops under Juarez command and failure of detachments from Chihuahua.	479
	...do....	...do....	Same subject. Carranza Consul has called on Carranza for troops. Inefficient action by Carranza forces will tend to undermine the <i>de facto</i> Government.	479
	Mr. Carothers to Mr. Lansing (telegram).	...do....	Same subject. Reports movements of Villa.	480
	Mr. Lansing to Mr. Koo	...do....	Protection of Chinese interests. Informs the Chinese minister of the execution of Charley Chee, a Chinese subject. States that relatives request that Minister send a representative to investigate and to protect rights of the heirs to property.	795
	Compañia Petrolera Maritima to Mr. Lansing.	...do....	Protection of American oil interests. Gives statement of the beneficial interests in the Compañia Petrolera Maritima which are vested in American citizens, and of the proportion which such interests bear to those in the property of nationals of Mexico.	760
	Mr. Cobb to Mr. Lansing (telegram).	Mar. 9	Political affairs. Reports attack on Columbus, N. Mex., by Villa troops.	480
	Mr. Carothers to Mr. Lansing (telegram).	...do....	Same subject. American garrison at Columbus attacked by Villa forces.	480
	Mr. Letcher to Mr. Lansing (telegram).	...do....	Same subject. General Gutierrez has requested that the Government of the United States be informed that orders have been given for the capture of the bandits.	480
	Mr. Cobb to Mr. Lansing (telegram).	...do....	Same subject. States that Villa was with attacking party.	481
	General Pershing to General Funston (telegram).	...do....	Same subject. Villa himself led charge through camp. Losses given. Troops in pursuit. Recommends cavalry be sent if any number of troops are to be sent after Villa.	481
	Mr. Lansing to Messrs. Silliman and Belt (telegram).	...do....	Same subject. Instructs to bring information concerning the attack on Columbus to the attention of Carranza. Expects <i>de facto</i> Government to do everything in its power to exterminate this lawless element.	481
	Mr. Letcher to Mr. Lansing (telegram).	...do....	Same subject. He has been informed that Mexican cavalry has been sent in pursuit of Villa.	482

No.	From and to whom	Date	Subject	Page
	Mr. Edwards to Mr. Lansing (telegram).	1916 Mar. 9	Same subject. Very little assistance can be had from Carranza Government in running down Villa. Forces inadequate.	482
	Mr. Cobb to Mr. Lansing (telegram).	...do...	Withdrawal of Americans from Mexico. Reports Mormon colonists at Casas Grandes in danger from Villa.	683
	Same to same. Telegram.	Mar. 10	Political affairs. Indications are that Carranza authorities will resent American troops entering Mexico.	482
980	General Funston to General McCain (telegram).	...do...	Same subject. Is of the opinion that unless Villa is relentlessly pursued he will continue raids. Mexican Government troops grossly apathetic and inefficient.	482
981	Same to same (telegram).	...do...	Same subject. Under circumstances believes Sloucum justified in violating War Department's order relative to sending troops across border.	483
	General McCain to General Funston (telegram).	...do...	Same subject. President has directed that an armed force be sent into Mexico to capture Villa and to prevent further raids. Directs to telegraph needs.	483
	Mr. Belt to Mr. Lansing (telegram).	...do...	Same subject. Department's Mar. 9, 4 p. m., presented to General Carranza. Sets forth certain questions which were submitted for answer.	483
	Mr. Lansing to American Consular Officers in Mexico (telegram).	...do...	Same subject. President's statement to the press that adequate force will be sent into Mexico to capture Villa.	484
	Mr. Cobb to Mr. Lansing (telegram).	...do...	Same subject. Indications are that Carranza authorities will resent American troops entering Mexico.	484
	Mr. Silliman to Mr. Lansing (telegram).	...do...	Same subject. Reply to Department's Mar. 9, 4 p. m. Asks that an agreement be entered into whereby the troops of each country may cross the boundary in pursuit of bandits.	485
	Mr. Lansing to Mr. Cobb (telegram).	...do...	Withdrawal of Americans. Advise Mormons to take every precaution for their safety.	683
2	Mr. Cobb to Mr. Lansing (telegram).	...do...	Same subject. Advice to leave Mexico repeated to Mormons. Leaders arranging for train to bring colonists out. Department should request military escort for this train.	684
	Mr. Lansing to certain Consular Officers in Mexico, including Mr. Parker (telegram).	Mar. 11	Same subject. If in your judgment conditions warrant it, close Consulate and advise Americans to leave.	684
	Mr. Garrett to Mr. Lansing (telegram).	...do...	Same subject. Americans arriving from Tampico region claim to have been ordered out by Carranza soldiers. Entirely destitute. Others expected. Transportation requested.	684
	Mr. Lansing to Mr. Edwards (telegram).	...do...	Same subject. Request escort for Mormons who wish to withdraw from Casas Grandes.	684
	Mr. Lansing to all American Consular Officers in Mexico (telegram).	...do...	Same subject. Gives instructions as to withdrawal to border.	684
	Mr. Carranza to Mr. Arredondo (telegram).	Mar. 12	Political affairs. States that Columbus raid affords no just reason for war. Presence of American operating force in Mexico without a like permission being granted to the Mexican forces will be considered as an invasion of national territory.	486
	Mr. Belt to Mr. Lansing (telegram).	...do...	Same subject. Text of an appeal issued by Carranza to the people of Mexico.	487
	Same to same.	Mar. 13	Same subject. Secretary of Foreign Affairs claims that war with Mexico would place United States in position of assisting reactionaries.	487
	Mr. Lansing to Mr. Silliman (telegram).	...do...	Same subject. Reply to Secretary Acuña's note of March 10.	487
	Mr. Belt to Mr. Lansing (telegram).	...do...	Same subject. Reply to the <i>de facto</i> Government's note of March 10, presented to Secretary Acuña. Created a favorable impression.	488
922	General McCain to General Funston (telegram).	...do...	Same subject. The President desires that the expedition should not afford the slightest ground of suspicion of any other object than the dispersing the bands of marauders.	489
	Mr. Lansing to Mr. Arredondo.	...do...	Same subject. Incloses a statement concerning the object of United States military forces in Mexico which the President has authorized to be made public.	489
	Mr. Lansing to certain American Consuls (telegram).	...do...	Same subject. Instructs to keep Department informed as to temper of populace on border and the name of Mexican commander.	489
	Mr. Silliman to Mr. Lansing (telegram).	...do...	Protection of Americans and American interests. Department's February 5, 6 p. m., presented to Foreign Office. In reply to Department's March 8, 7 p. m., Oregon says that the situation at Los Mochis has been misrepresented.	686

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From and to whom	Date	Subject	Page
Mr. Lansing to Mr. Sillman (telegram).	1916 Mar 13	Protection of American oil interests. Your telegram January 25, 7 p. m. Statement of Foreign Secretary that interests Mexican citizens only concerned is inaccurate. Stock of Compañía Petrolera Maritima owned by American citizens. Renew representations in behalf of company.	762
Mr. Lansing to Mr. Rodgers (telegrams).	---do---	Protection of American mining interests. Endeavor to have mining decree of Mar. 1, 1915, abrogated. Failing in this, seek to have ruling for the payment of taxes for the last tercio, apply to taxes now due. Ask that metal export duties be reduced one half. If your efforts are to no purpose, obtain, if possible, an extension of time within which to pay taxes now due.	714
Mr. Parker to Mr. Lansing (telegram).	---do---	Withdrawal of Americans from Mexico. Americans wish more facts as to international relations to enable them to determine whether they should leave. In the event of crisis to whom shall American interests be entrusted?	685
Mr. Lansing to Mr. Garrett (telegram).	---do---	Same subject. Furnish transportation to Americans mentioned in your Mar 11, 2 p. m., provided they are absolutely destitute.	686
Mr. Polk to all American Consular Officers in Mexico (telegram).	Mar. 14	Political affairs. Expedition will soon enter Mexico to pursue and capture Villa and his band. Permission has been granted to Mexican troops to cross international boundary in like cases. Same to Mr. Parker, all American missions in Central and South America and in Europe, Japan and China.	490
Mr. Daniels to Mr. Lansing	---do---	Withdrawal of Americans from Mexico. Requests certain data concerning aid to be rendered to Americans in Mexico in case of necessity.	686
Mr. Polk to Mr. Belt (telegram).	Mar. 15	Political affairs. Instructs to ascertain whether any orders have been given by Carranza to his military commanders as to course they should pursue in the event of our troops crossing the border.	490
Mr. Sillman to Mr. Lansing (telegram).	---do---	Same subject. Substance of reply to American note has been agreed upon but will not be formulated or presented until later. Attitude of Mexican Government to expedition of American troops is said to be favorable.	491
Mr. Dawson to Mr. Lansing.	Mar. 16	Protection of American oil interests. Transmits copy of what purports to be a decree issued by the First Chief, ordering the suspension of all exploitation of oil lands pending the issuance of the proposed new law on the subject.	762
Mr. Polk to Mr. Parker (telegrams).	---do---	Withdrawal of Americans from Mexico. In case of necessity entrust representation of American interests to British or French colleague.	686
Concurrent resolution of United States Congress.	Mar. 17	Political affairs. Concurrent resolution of Senate and House of Representatives of the United States setting forth the purpose of the expedition of American troops into Mexico.	491
General Funston to General McLean (telegram).	---do---	Same subject. Reports the movements of General Pershing.	492
Mr. Polk to Mr. Rodgers (telegram).	---do---	Protection of Americans and American interests. Request that campaign against Indians be vigorously prosecuted and that sufficient troops be stationed in San Xavier district for protection American mining companies operating there.	686
Same to same (telegram)...	Mar. 18	Political affairs. Instructs to request General Carranza to issue necessary orders to Chihuahua authorities to permit use of Northwestern Railway for transportation of supplies for American troops.	492
Mr. Rodgers to Mr. Lansing (telegram).	---do---	Same subject. Understands there is now complete understanding between Mexican and American forces.	492
Mr. Arredondo to Mr. Lansing.	---do---	Same subject. Protests that the consent expressed by the Mexican Government in regard to the crossing of armed troops over the frontier line is being erroneously understood.	493
Mr. Arredondo to Mr. Polk.	---do---	Same subject. Incloses copy of note protesting the crossing of American troops into Mexico.	493
Mr. Polk to Mr. Arredondo	Mar. 19	Same subject. Regrets that there should have been any misunderstanding as to the attitude of General Carranza in connection with the crossing of the border. Will be glad to receive any suggestions the Mexican Government may care to make as to the terms of a definite agreement.	494

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No.	From and to whom	Date	Subject	Page
	Mr. Arredondo to Mr. Polk	1916 Mar. 19	Same subject. Submits a draft of an agreement in regard to the crossing of troops of both countries over the boundary line.	495
	Mr. Arredondo to Mr. Lansing.	---do---	Same subject. States that Mexican Government can not permit the occupation of Mexican towns by American forces in the absence of an agreement.	497
	Mr. Rodgers to Mr. Lansing (telegram).	---do---	Same subject. Reply to Department's note of Mar. 18, 6 p. m., requesting use of railroad for transportation of supplies for troops.	497
	General Scott to Mr. Lansing (telegram).	Mar. 20	Same subject. Gives location and movement of American troops in Mexico.	498
	Same to same	---do---	Same subject. Gives places at which American troops crossed the border and circumstances under which they crossed, as requested in communication of Mar. 19.	498
2	Mr. Polk to Mr. Rodgers (telegram).	---do---	Same subject. Instructs to assure Carranza that the purpose of the expedition is to capture Villa and that the American troops will be withdrawn as soon as that purpose is effected. That this Government accepts in principle the reciprocal arrangement submitted by Mr. Arredondo.	499
286	Mr. Polk to Mr. Parker	---do---	Withdrawal of Americans from Mexico. No funds available for indefinite maintenance of destitute Americans in Mexico. All Americans whose presence is not essential for business reasons should be advised to return immediately to this country.	686
	Mr. Polk to Mr. Arredondo	Mar. 21	Political affairs. General Pershing has been instructed to avoid occupying any Mexican town.	500
3	Mr. Rodgers to Mr. Lansing (telegram).	---do---	Protection of Americans and American interests. Foreign Office states that orders have been issued to push with vigor the campaign against the Indians in the Yaqui Valley.	667
	Mr. Polk to Mr. Simpich (telegram).	Mar. 22	Political affairs. Requests number, location and movements of troops in northwestern part of Sonora.	500
	Mr. Polk to certain American Consuls in Mexico (telegram).	---do---	Same subject. Ascertain the number, location and changes of troops along the border in your consular district.	501
	Mr. Polk to Mr. Rodgers (telegram).	---do---	Same subject. Directs to sound the Mexican authorities as to the truth of reports that garrisons along the border have been reinforced.	501
6	Mr. Lansing to Mr. Rodgers.	Mar. 24	Protection of American mining interests. If annulment or modification of mining decree has not yet been accomplished, concentrate best efforts to secure longest possible time for payment of taxes.	714
282	Mr. Garrett to Mr. Lansing	---do---	Protection of Turkish interests. Incloses a petition from Jorge Elias, a Turkish subject, to the Secretario de Hacienda y Credito Publico, asking for the return of money taken from him by Mexican officials at Nuevo Laredo. Asks good offices of the Department.	797
	Mr. Arredondo to Mr. Lansing.	Mar. 27	Political affairs. Draft of agreement concerning the reciprocal crossing of troops over the boundary line as amended by Mexican Government.	501
8	Mr. Rodgers to Mr. Lansing (telegram)	Mar. 28	Protection of American mining interests. Extension of time for payment of mining taxes present tereco will be given until May 1. Meanwhile further careful consideration will be given whole matter.	714
7	Same to same (telegram)	---do---	Political affairs. Mexican attitude certain features of protocol.	502
11	Mr. Lansing to Mr. Rodgers (telegrams).	---do---	Same subject. Seeks use of railroad for bringing up supplies pending settlement of terms of protocol.	503
12	Same to same (telegrams)	Mar. 29	Same subject. Department has suggested to War Department to make appropriate arrangements to ship supplies to civilians in Mexico. Request that Chihuahua authorities be instructed to furnish adequate guards for trains.	504
	Mr. Baker to Mr. Lansing	---do---	Same subject. Incloses copy of telegram sent to commanding general, Southern Department, concerning the consignment of goods to civilians.	504
12	Mr. Rodgers to Mr. Lansing (telegrams).	---do---	Same subject. Definite reply promised to-morrow concerning use of railroads.	505
336	Mr. Parker to Mr. Lansing.	---do---	Financial affairs. Conservative estimate of invalidated issues of paper money in the hands of Americans.	633
8	Mr. Lansing to Mr. Dawson.	---do---	Protection of American oil interests. Acknowledges dispatch of Mar. 18, 1916. Instructs to advise Department if any attempt is made to apply provisions of the decree to American citizens.	763

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No.	From and to whom	Date	Subject	Page
13	Mr. Rodgers to Mr. Lansing.	1916 Mar. 30	Political affairs. Agreement reached relative to consignment of supplies to civilians. Mexican authorities irritated over the failure to supply information requested concerning the number and location of our troops.	505
	Mr. Lansing to Mr. Daniels.	...do....	Withdrawal of Americans from Mexico. Reply to the letter of March 14, 1916.	687
19	Mr. Lansing to Mr. Rodgers (telegram).	Mar. 31	Protection of American mining interests. Express to <i>de facto</i> Government Department's appreciation of extension of time limit within which to pay mining taxes.	715
17	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Political affairs. Informed by Cabrera that General Carranza and General Obregon think it will be necessary to request withdrawal of our troops in a short time unless Villa is soon captured.	505
	Mr. Baker to Mr. Lansing.	...do....	Same subject. Incloses telegram from General Funston which states that General Gavra has received no instructions from his Government concerning the shipment of supplies.	506
	Mr. Cobb to Mr. Lansing (telegram).	Apr. 1	Protection of Americans and American interests. Certain foreigners executed by Villa.	667
24	Mr. Lansing to Mr. Rodgers (telegram).	Apr. 3	Political affairs. Department informed that Chihuahua authorities have received no instructions concerning the shipment of supplies. Renew your efforts to have appropriate instructions issued.	506
25	Mr. Rodgers to Mr. Lansing (telegram).	Apr. 4	Same subject. Unable to reach Carranza or Obregon. Cabrera promised an investigation.	506
	Mr. Lansing to Mr. Arredondo.	...do....	Same subject. Incloses a redraft of the proposed protocol.	507
	Mr. Arredondo to Mr. Lansing.	Apr. 5	Same subject. Acknowledges the receipt of Department's letter of Apr. 4.	508
26	Mr. Rodgers to Mr. Lansing (telegrams).	...do....	Same subject. In regard to Northwestern Railway, no reply has been received. Present attitude very unsatisfactory.	508
	Mr. Lansing to Mr. Rodgers.	...do....	Protection of Turkish interests. Request appropriate authorities to order the return of the money taken from Jorge Elias, Turkish subject.	797
27	Mr. Rodgers to Mr. Lansing.	Apr. 6	Political affairs. Informed that no instructions can be issued to Chihuahua authorities to protect and forward supplies for American troops by railroad.	508
30	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Same subject. Withholding promised instructions regarding shipment of supplies creating bad impression here. Use best efforts to have instructions issued.	509
28	Mr. Rodgers to Mr. Lansing (telegram).	Apr. 7	Same subject. Statement issued to press denying that Government ever authorized use of Northwestern Railway for supplies to troops. Understand no objection to shipment of supplies as commercial freight.	509
19	Same to same.	...do....	Same subject. Submits statement of his action and representations in the matter of the request for the use of the Northwestern Railway for the shipment of supplies.	509
	Mr. Blocker to Mr. Lansing (telegram).	Apr. 8	Same subject. Various conflicting rumors of withdrawal of American forces and impending difficulties being circulated by Mexican Consul at Engle Pass.	512
	Mr. Jusserand to Mr. Lansing.	Apr. 10	Financial affairs. Requests American Government to urge upon Carranza the fulfillment of promises concerning the redemption and acceptance of paper money.	634
	Mr. Cobb to Mr. Lansing (telegram).	Apr. 11	Political affairs. Inability of a mining company which has been shipping fuel regularly to Chihuahua to get movement south from Juarez during past week.	513
34	Mr. Lansing to Mr. Rodgers.	...do....	Protection of American mining interests. American mining representative in Mexico City telegraphs that no decree exists for the extension of time for the payment of taxes. Ascertain whether those taking advantage of extension of time will be subject to fines or penalties.	715
285	Mr. Garrett to Mr. Lansing.	...do....	Protection of Turkish interests. Money of Carlos Dominguez, a Syrian, taken by Mexican customs guards. Suggests Department request that when evidence shows no attempt at smuggling, money be returned.	798
1230	General Funston to General McCain (telegram).	Apr. 12	Political affairs. Reports orders believed to have been given by the Secretary of War to his chiefs at border points.	513
	Mr. Arredondo to Mr. Lansing.	...do....	Same subject. Regrets the Parral incident. Insists on the necessity of withdrawal of American troops from Mexican soil.	513

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	Same to same.	1916 Apr. 12	Same subject. General Carranza instructs Mr. Arredondo to insist on the withdrawal of American troops from Mexico	514
4	Mr. Cobb to Mr. Lansing (telegram).	...do....	Same subject. Reports attack on American troops at Parral.	514
	Mr. Rodgers to Mr. Lansing (telegrams).	...do....	Protection of American mining interests. Reply to Department's Apr. 11, 5 p. m. Instructions to collectors of taxes allowing extension of time for payment of mining taxes are to be issued at once.	715
	Mr. Arredondo to Mr. Lansing.	Apr. 13	Political affairs. Transmits note which states that it is useless to discuss further the question of an agreement for the reciprocal passage of troops across the border, while American troops remain on Mexican soil.	515
	Mr. Lansing to certain American in Mexico (telegram).	...do....	Same subject. Department informs all American Consular Officers in Mexico, except border Consuls, of the Parral incident.	518
39	Mr. Lansing to Mr. Rodgers (telegram).	Apr. 14	Same subject. Inform Carranza that this Government believes that to withdraw American troops now would be to encourage Villistas. Seek the cooperation of <i>de facto</i> Government that the common object of both Governments may more speedily be accomplished.	518
10	Mr. Rodgers to Mr. Lansing (telegram).	Apr. 15	Same subject. Representations made as directed in Department's April 14, 5 p. m. Officials insist upon withdrawal of American troops.	519
	Mr. Cobb to Mr. Lansing (telegrams).	...do....	Same subject. Transmits message of General Pershing to General Funston concerning the Parral attack.	519
	Mr. Simpich to Mr. Lansing (telegram).	...do....	Protection of Americans and American interests. Family of John Lehr reported rescued by General Martinez	667
	Mr. Cobb to Mr. Lansing.	Apr. 16	Political affairs. Details of the attack upon American troops at Parral.	520
	General Funston to General McCain (telegram).	...do....	Same subject. Pershing reports no food nor forage in vicinity Santa Cruz. Will withdraw in direction of Satevo.	521
	Same to same.	Apr. 17	Same subject. General Pershing reports attitude of Mexican people and makes certain recommendations.	521
	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Same subject. Instructs to furnish Carranza with a copy of General Pershing's report on Parral incident	521
	Mr. Letcher to Mr. Lansing (telegram).	...do....	Same subject. Troops apparently are being withdrawn from territory covered by American soldiers.	522
18	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Same subject. No further discussion likely until formal reply to the <i>de facto</i> Government's note in regard to the withdrawal of troops is received.	522
	Mr. Letcher to Mr. Lansing (telegram)	...do....	Same subject. Believes widespread plan exists to force immediate withdrawal American troops. Ultimatum to Colonel Brown from Mexican commander forbidding Americans to advance.	523
44	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Same subject. Quotes telegram from Mr. Letcher, dated Apr. 17, 11 a. m., and urges to impress upon Carranza the necessity of restraining his local commanders from independent action.	523
	Mr. Arredondo to Mr. Lansing.	Apr. 18	Same subject. Transmits a telegram from General Gutierrez to Mexican Secretary of War wherein General Pershing is blamed for the Parral incident.	523
	Mr. Lansing to certain American Consuls in Mexico (telegram).	...do....	Same subject. Quotes telegram from Consul Letcher, dated Apr. 17 and reports Department's instructions to Mr. Rodgers for information and guidance of Consuls.	524
	Mr. Lansing to Mr. Letcher (telegram)	...do....	Same subject. Acknowledges telegram of Apr. 17, 11 a. m., States Department's instructions to Rodgers.	524
21	Mr. Rodgers to Mr. Lansing.	Apr. 19	Protection of American mining interests. New taxes effective July 1. Do not think much, if any, amendment possible.	715
50	Mr. Lansing to Mr. Rodgers (telegram).	Apr. 20	Political affairs. Inform Carranza that the persistent rumors that this Government favors certain revolutionary plots are unfounded.	524
	Mr. Arredondo to Mr. Lansing.	...do....	Same subject. Requests data relative to the number and places of engagements between the American and Villista forces. Also names of American commanders.	524
27	Mr. Rodgers to Mr. Lansing.	...do....	Same subject. Because of the very bad conditions obtaining in Central Mexico, Consular Officers and Americans have been instructed to use their own judgment as to leaving.	525

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	Mr. Lansing to Mr. Rodgers.	...do....	Protection of Turkish interests. Request that money of Carlos Dominguez be returned to him.	798
	Mr. Baker to Mr. Lansing.	Apr. 21	Political affairs. Incloses telegrams from General Funston on the subject of Farral attack.	525
	Mr. Letcher to Mr. Lansing (telegram).	...do....	Same subject. Because of evident purpose of Mexican authorities to force withdrawal of American troops, doubt that further shipments of supplies may be made over railroad.	527
23	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Same subject. Reports carrying out Department's instruction of Apr. 20, 6 p. m.	527
821	Mr. Hostetter to Mr. Lansing.	...do....	Protection of Americans and American interests. Reports arrival of Mrs. Lehr and three children.	687
	Mr. Adler to Mr. Lansing.	...do....	Protection of Turkish interests. Letter from the Federation of Oriental Jews of America reporting indignities heaped upon Ottoman subjects, mostly of the Jewish faith. Asks that Consul at Vera Cruz be instructed to accord protection to Ottoman subjects in that city.	799
57	Mr. Lansing to Mr. Rodgers (telegram).	Apr. 22	Political affairs. Instructs to see Carranza and urge the holding of conference between General Scott and General Obregon or some other high military officer.	527
54	Same to same (telegram)....	...do....	Financial affairs. Report whether assurances mentioned in Silliman's Jan. 1, 1 p. m., have been carried out.	634
	Mr. Letcher to Mr. Lansing (telegram).	Apr. 23	Political affairs. Informs that Pablo Lopez has been captured and that he has confessed to massacre of Americans at Santa Ysabel.	528
26	Mr. Rodgers to Mr. Lansing (telegrams)	Apr. 24	Same subject. Appointment to see First Chief will be made for tomorrow. There apparently will be no trouble in arranging military conference. Rumors of impending trouble with the United States.	528
27	Same to same.....	...do....	Same subject. Obregon departs for border conference.	528
58	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Protection of American mining interests. American mining companies claim new decree more severe, in some respects, than present one. Renew your efforts to obtain consent of <i>de facto</i> Government to accept payment present and last tercio's tax, on basis 8 pesos, and to effect material modification in proposed decree.	718
891	Mr. Lansing to Mr. Canada.	...do....	Protection of Turkish interests. Instructs to use good offices in behalf of Ottoman subjects.	799
	Mr. Lansing to Mr. Edwards (telegram).	Apr. 25	Political affairs. Informs of Obregon's coming to border. Gives certain instructions.	529
60	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Same subject. Seeks information as to where Obregon expects to meet General Scott and General Funston.	529
29	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Financial affairs. Reply to Department's 54, Apr. 22, 4 p. m. No action yet as to banks of issue. Moratorium decree delayed.	635
1806	General Funston to General McCain (telegrams).	...do....	Political affairs. Gives details of pursuit of Villa and of opposition of certain Carranza troops and populace.	530
30	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Protection of American mining interests. Reply to Department's 58. Mexican Government considers that the taxes are fair in view of privilege given and will adhere to the present decree.	719
	Mr. Blocker to Mr. Lansing (telegram).	Apr. 26	Political affairs. General Obregon has gone to Torreon en route to Juarez.	529
1314	General Funston to General McCain.	...do....	Same subject. Details of several engagements had by American troops with Villistas.	530
1172	General McCain to Generals Scott and Funston (telegram).	...do....	Same subject. Gives instructions to Generals Scott and Funston for their conference with Obregon.	530
	Mr. Lansing to Mr. Johnson.	...do....	Embargo against the exportation of arms and munitions to Mexico. Requests cooperation of the Governor of California in preventing the smuggling of arms and munitions into Mexico.	789
	Mr. Blocker to Mr. Lansing (telegram).	Apr. 27	Political affairs. Obregon will confer with General Scott at Juarez.	532
1688	Mr. Lansing to Mr. Jusserand.	...do....	Financial affairs. Reply to note from the French Embassy of Apr. 10. Department deems further action inadvisable at this time.	635
	Mr. Edwards to Mr. Lansing (telegram).	Apr. 28	Political affairs. Reports arrival of Obregon in Juarez.	532
	Mr. Letcher to Mr. Lansing (telegram).	...do....	Same subject. Permission given to ship to Minaca for troops all supplies here awaiting shipment. Special concession.	532

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36	Mr. Rodgers to Mr. Lansing.	1916 Apr. 28	Same subject. In view of the conference to be held by General Obregon with Generals Scott and Funston, withdraws request for a conference with Carranza.	533
1452	Mr. Canada to Mr. Lansing.	...do...	Seizure and confiscation of American properties. Incloses a circular letter sent to certain persons and firms calling upon them to contribute specified sums of money.	777
	Mr. Lansing to the Pacific Mail Steamship Co (telegram).	Apr. 29	Withdrawal of Americans from Mexico. Requests Pacific Mail Steamship Co have one of its ships call at Manzanillo for Americans awaiting passage.	688
	The Pacific Mail Steamship Co. to Mr. Lansing (telegram).	Apr. 30	Same subject. Acknowledges telegram of Apr. 29. Asks that no penalty be inflicted if steamer should bring passengers in excess of its certificate.	688
	Generals Scott and Funston to Mr. Baker (telegram).	...do...	Political affairs. Details of first meeting with Obregon.	533
	General McCain to General Scott (telegram).	...do...	Same subject. Instructions given to Generals Scott and Funston for further discussions with Obregon.	534
	Same to same.	...do...	Same subject. Further instructions for Generals Scott and Funston.	535
	Generals Scott and Funston to Mr. Baker (telegram).	May 1	Same subject. States that deadlock certain to come. Pershing and other border commanders warned of tenseness of situation. Makes certain recommendations.	535
	Mr. Carothers to Mr. Lansing (telegram).	...do...	Same subject. Situation critical. Withdrawal of troops being insisted on. Villa reported active again.	536
	General Scott to Mr. Baker (telegram).	...do...	Same subject. From reliable source it is learned that orders have been issued to prepare to crush or annihilate the American forces in Mexico in case of nonwithdrawal.	536
1332a	General Funston to Mr. Baker (telegram).	...do...	Same subject. Gives orders supposed to have been issued by Carranza to General Gomez to cut off American troops.	537
	General McCain to General Funston (telegram).	...do...	Embargo against the exportation of arms and munitions into Mexico. Secretary of War directs until further orders have been issued stop all arms and munitions of war from going into Mexico.	789
	Mr. Lansing to the Pacific Mail Steamship Co.	...do...	Withdrawal of Americans from Mexico. Acknowledges telegram of Apr. 30.	688
	Mr. Lansing to Mr. Redfield.	...do...	Same subject. Asks that the Collector of Customs at San Francisco be instructed not to penalize the Pacific Mail Steamship Co. or the steamer <i>Newport</i> in case the vessel takes aboard more passengers than she has been authorized to carry.	688
	Mr. Hunt to Mr. Lansing.	May 3	Embargo on the exportation of arms. Governor of Arizona assures cooperation in preventing illicit traffic in firearms and ammunition.	790
	Mr. McDonald to Mr. Lansing.	...do...	Same subject. Governor of New Mexico to use all means in his power to prevent illicit traffic in arms and ammunition.	790
44	Mr. Rodgers to Mr. Lansing (telegram).	...do...	Political affairs. Asks to be advised as soon as possible of news of military conference.	537
6	Generals Scott and Funston to Mr. Baker (telegram).	...do...	Same subject. Results of private conference between General Scott and General Obregon. Agreement reached for a gradual withdrawal of American troops.	537
1335a	General Funston to Mr. Baker (telegram).	May 4	Same subject. Various American commanders cite obstructive tactics of Carranza forces.	539
	Mr. Johnson to Mr. Lansing.	...do...	Embargo on the exportation of arms. Every assistance to be rendered by the Governor of California in preventing the illicit traffic in arms and ammunition.	790
	Mr. Lansing to Mr. Letcher (telegram).	May 6	Protection of Americans and American interests. Verify dispatches that American employees National Mines & Smelter Co., Magistral, Durango, disarmed and Magistral looted. If Americans are in danger, advise them to leave.	668
69	Mr. Lansing to Mr. Rodgers (telegram).	...do...	Political affairs. Department informed that Generals Scott and Funston have reached satisfactory agreement. Result of conference said to be awaiting approval of Carranza. Ascertain and telegraph the attitude of Carranza.	540
	General Scott to Mr. Baker (telegram).	...do...	Same subject. No word has been received from Obregon as to whether the agreement reached is satisfactory to Carranza.	540
508	Mr. Simplich to Mr. Lansing.	...do...	Protection of American mining interests. Carranza régime, through its local collector, declares that tax payments made to the Maytorena-Villa element can not be considered as a legal payment.	719
	Mr. Blocker to Mr. Lansing (telegram).	May 7	Political affairs. Reports raid on Glenn Springs.	540

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72	Mr. Lansing to Mr. Rodgers (telegram)	1916 May 7	Same subject. Instructs to bring the Glenn Springs incident to the attention of <i>de facto</i> authorities and to impress upon them seriousness of the act, especially at this time.	541
	Mr. Lansing to Mr. Blocker (telegram).	...do....	Same subject. Directs to render all possible assistance in recovering bodies and protecting the families of victims.	541
47	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Same subject. Carranza satisfied with general results of conference but wishes "all explanations of reasons, etc." omitted from formal written agreement.	541
1346a	General Funston to Mr. Baker (telegram)	...do....	Same subject. Troops have been dispatched to run down bandits who recently raided Glenn Springs and Boquillas.	542
13	Generals Scott and Funston to Mr. Baker (telegram)	...do....	Same subject. Further discussions of informal nature between Generals Scott and Funston and Obregon and Amador.	542
46	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Protection of American mining interests. Mining law effective May 1 practically the same as that transmitted with dispatch 25. Minor changes only.	720
	Mr. Blocker to Mr. Lansing (telegram).	May 8	Political affairs. Further details of Glenn Springs raid.	543
	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Same subject. <i>De facto</i> Government has made public its version of recent raid. Also announced successful conference agreement.	543
16	Generals Scott and Funston to Mr. Baker (telegram).	...do....	Same subject. Obregon has announced that Mexican Government would not ratify the recently signed agreement. Obregon has suggested another proposition.	543
1037	Mr. Blocker to Mr. Lansing.	...do....	Same subject. Report concerning the Glenn Springs raid and conditions on border.	544
1349a	General Funston to Mr. Baker (telegram)	May 9	Same subject. Certain Americans who were captured have escaped.	546
19	General Scott to Mr. Baker (telegram).	...do....	Same subject. Letter from Obregon to General Scott stating that he has been instructed to reject the proposed agreement. Other plans for the protection of the border will be submitted by Obregon.	546
	Mr. Lansing to Mr. McAdoo	...do....	Embargo on exportation of arms. Requests certain instructions be issued to collectors of customs on the Mexican border and at seacoast points concerning the release of shipments of arms into Mexico.	790
	Mr. Lansing to American Consuls on Mexican border (telegram).	...do....	Withdrawal of Americans from Mexico. Be prepared to advise all Americans in your district to leave immediately for border. Turn over American interests to British or French Consul in case, in your judgment, situation becomes unsafe.	689
	Mr. Lansing to Mr. Parker and all American Consular Officers in Mexico, except border Consuls (telegram).	...do....	Same subject. Be prepared to act promptly, in accordance with Department's Mar. 11, 11 p. m.	689
825	Mr. Hostetter to Mr. Lansing.	...do....	Protection of Chinese interests. States that he has succeeded in having all orders restricting the movements of Chinese annulled.	796
	Mr. Ferguson to Mr. Lansing.	May 10	Embargo on the exportation of arms. Governor of Texas will cooperate in every way with the Federal Government in preventing the illicit traffic of arms and ammunition.	791
75	Mr. Lansing to Mr. Rodgers (telegram).	May 11	Withdrawal of Americans from Mexico. If emergency should arise, every effort will be made to provide facilities at all Mexican coast ports for accommodation American refugees.	689
76	Same to same (telegram)	May 12	Protection of American mining interests. Continue efforts to obtain such reductions in pertenencia and export taxes as will be of greatest possible benefit to American mining interests.	720
	Mr. Dawson to Mr. Lansing (telegram).	May 13	Political affairs. Americans from interior report recruiting activities and Mexican preparations for war.	547
330	Mr. Lansing to Mr. Parker (telegram).	...do....	Withdrawal of Americans from Mexico. Give copy of Department's 286 to Mr. Rodgers. Telegraph number of Americans who have followed advice in said instruction. Again advise Americans.	690
315	Mr. Parker to Mr. Lansing (telegram).	May 14	Protection of American oil interests. Preparations being made to issue decree revising taxes on petroleum production. Scheme for nationalization all oil lands remains under consideration by the Government.	763

No	From and to whom	Date	Subject	Page
	Mr. Blocker to Mr. Lansing (telegram).	1918 May 15	Political affairs. Reported movement of <i>de facto</i> Government troops north to Chihuahua and Coahuila. Arrival of American infantry.	547
	Mr. Silliman to Mr. Lansing (telegram).	...do....	Same subject. Information is that American troops have crossed in pursuit of recent raiders. Governor says that present instructions are to oppose any such advances of Americans into Mexico.	548
	Mr. Lansing to Mr. Parker and certain Consular Officers (telegram).	...do....	Protection of Americans and American interests. Scott-Oregon conference amicably concluded but without definite result. Both Governments continuing negotiations.	660
	Mr. Simpich to Mr. Lansing (telegram).	...do....	Embargo on the exportation of arms. Recommends that for next week or 10 days no more arms or ammunition be allowed exported to Sonora.	791
	Mr. Bowman to Mr. Lansing (telegram).	May 16	Political affairs. Mayor of Frontera has received instructions from Governor to organize the citizens for defense, treating the question of a war as a certainty.	548
	Mr. Ingraham to Mr. Lansing.	...do....	Same subject. Certain information concerning the United States military forces operating in the State of Chihuahua.	548
	Mr. Stadden to Mr. Lansing (telegram).	...do....	Withdrawal of Americans from Mexico. Americans reluctant to leave their homes. No means to guard against hostile developments except by calling Americans to Manzanillo and having naval vessel here. Asks that arrangements be made for steamers passing for north to call.	690
314	Mr. Parker to Mr. Lansing (telegram).	...do....	Same subject. Americans being discreetly advised to leave in accordance with Department's instruction. Gives facts about American colony.	690
1418	General Funston to Mr. Baker (telegram).	May 17	Political affairs. Instructions given to commanding officer of American troops in vicinity Boquillas to return to American side of the border.	549
	Mr. Lansing to Mr. Silliman (telegram).	May 18	Same subject. If you think Governor apt to oppose pursuit of bandits, discreetly call to his attention the negotiations of Generals Scott and Oregon.	549
85	Mr. Polk to Mr. Rodgers (telegram).	...do....	Same subject. Investigate reported extensive troop movements toward the border.	550
1438	General Funston to Mr. Baker (telegram)	...do....	Same subject. Heavy movement of troops toward the border reported.	550
	Mr. Polk to the Interstate Commerce Commission	...do....	Embargo on the exportation of arms. Another car of munitions discovered and taken possession of by American forces at Eagle Pass, Tex. No marking showing that it contained explosives. Asks an investigation.	791
	Mr. Silliman to Mr. Lansing (telegram).	...do....	Protection of American mining interests. New Governor of Zacatecas issued order recently giving all owners of mines 30 days to begin working them, otherwise mining laborers will be permitted to work them for their own account.	720
	Same to same (telegram)...	May 19	Political affairs. Department's May 18, 8 p. m. Governor showed me instructions from First Chief. If they mean what they plainly say, a clash is within the possibilities.	550
	Mr. Blocker to Mr. Lansing (telegram).	...do....	Same subject. Confirmation of concentration of troops of <i>de facto</i> Government at Allende has been received. Further information of other movements.	551
76	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Same subject. In reply to Department's #5, May 18, Oregon says that troops moved north to comply with promises to protect border.	551
893	Mr. Lansing to Mr. Canada	...do....	Seizure and confiscation of American properties. Protest the collection of forced loans from American citizens.	779
553	Mr. Lansing to Mr. Simpich.	...do....	Protection of American mining interests. Reply to despatch No. 508. Report any attempt by local authorities to collect taxes from an American citizen which he has already paid to persons in <i>de facto</i> authority.	720
	Mr. Silliman to Mr. Lansing (telegram).	May 20	Political affairs. Governor reiterated in another private conference that his peremptory orders were to attack any invading troops. All arguments and reasons, including Department's suggestion, produced no impression.	551
57	Mr. Rodgers to Mr. Lansing.	...do....	Protection of American oil interests. Discusses the new oil taxation system under contemplation by the Mexican Government. General idea of the proposed system is quality and value taxation rather than that based on quantity.	763
86	Mr. Polk to Mr. Rodgers (telegram).	...do....	Protection of American mining interests. Endeavor to obtain withdrawal of decree whereby Governor Zacatecas ordered mine owners to begin operations within 30 days.	721

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No.	From and to whom	Date	Subject	Page
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	Mr. Aguilar to Mr. Lansing.	May 22	Political affairs Demand of <i>de facto</i> Government of Mexico for the withdrawal of American troops.	552
82	Mr. Rodgers to Mr. Lansing (telegram).	---do---	Same subject Understand Cabinet here repudiates alleged orders mentioned by Governor of Coahuila concerning probable attack on American forces. Doing all possible to stop forces.	563
	Same to same (telegram)	May 23	Same subject. Secretary for Foreign Affairs said Americans were apparently acting in bad faith by sending American military force into Coahuila. Departure of special messenger for Washington with note	564
84	Same to same (telegram)	---do---	Protection of American mining interests. Secretary of Treasury telegraphed Governor to abandon all such action against mines. Reply to Department's 86.	721
	Mr. Daniels to Mr. Lansing	---do---	Withdrawal of Americans from Mexico. The <i>Mars</i> , if it has not already sailed from Mazatlan, will afford transportation to Americans in case emergency arises	691
	Mr. Polk to Mr. Arredondo.	May 25	Political affairs Information as requested by Mr. Arredondo in his letter of Apr 20, 1916	564
	General Funston to Mr. Baker (telegrams).	May 26	Same subject. Cervantes, notorious Villista, reported killed in engagement with American troops.	564
1495	Same to same (telegram)	---do---	Same subject. Press bulletin announces that General Gavira intends to confer with Pershing as to rounding up of outlaws. Certain instructions given General Pershing.	565
1515	Same to same (telegram)	May 29	Same subject Neutral natives Namiquipa, at the suggestion of General Pershing, organized small detachment for the protection of peaceful inhabitants.	565
1518	Same to same	---do---	Same subject Hostile attitude of General Cavazos. Instructions to act conservatively given to General Pershing	565
111	Mr. Polk to Mr. Rodgers (telegram).	May 31	Same subject. Instructs to secure a copy of note just sent by Mexican Government and report whether it expresses opinion of Government.	566
102	Mr. Rodgers to Mr. Lansing (telegram)	June 1	Same subject. Department's 111 Foreign Office to-day asserted that note represented exact sentiment and determination of Mexican authorities	566
	Mr. Polk to Mr. Dawson (telegram).	---do---	Protection of Americans and American interests. Standard Oil Co has offered to place at your disposal for American refugees any of its steamers in Tampico harbor, in case of emergency	668
	Mr. Polk to Mr. Rodgers (telegram).	---do---	Same subject. Reports from Sonora indicate Yaquis again menacing life and property. Request stationing of garrisons Yaqui territory sufficient to afford security against sudden raids.	669
116	Same to same (telegram)	June 2	Protection of American oil interests. Newspapers report beginning June 1 all exploiters of petroleum deposits Mexico required to pay bimonthly inspection fee \$300 Mexican gold. Telegraph whether report correct.	764
	Mr. Dawson to Mr. Lansing (telegram).	---do---	Withdrawal of Americans from Mexico. Urges that transport be sent to take away some 200 persons who wish to leave the interior now but are without funds.	691
	Mr. Polk to Mr. Daniels	June 3	Protection of Americans and American interests Asks distribution of naval vessels on Pacific coast of Mexico so as to cover certain ports, thus affording moral protection to the Americans at those places.	669
114	Mr. Rodgers to Mr. Lansing (telegram).	---do---	Protection of American oil interests. Department's 116, June 2, 5 p. m. Fee as stated proscribed; declared necessary for supervision in order to protect public.	765
	Mr. Edwards to Mr. Lansing (telegram).	June 4	Political affairs. General Gavira in an interview with Consul Edwards states that arrangements entered into by General Pershing and himself would eliminate all danger of conflict.	566
117	Mr. Lansing to Mr. Rodgers (telegram).	June 5	Same subject. Instructs to bring to attention of appropriate authorities recurring activities of de la Rosa.	567
	Mr. Simplich to Mr. Lansing (telegram).	---do---	Protection of American mining interests. Decree No. 56, dated May 18. Mining properties in State which continue idle more than 30 days from date of decree subject seizure and operation by State.	721
117	Mr. Rodgers to Mr. Lansing (telegrams).	June 6	Political affairs. In reply to Department's 117, June 5, 4 p. m. Urgent representations made and immediate attention promised.	567

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125	Same to same..... Mr. Daniels to Mr. Lansing.	June 6 ...do....	Same subject. Résumé of conditions in Mexico..... Protection of Americans and American interests. Acknowledges the receipt of Department's letter of June 3, 1916. Directions have been given to the commander of the Pacific Fleet.	567 669
	Mr. Lansing to Mr. Dawson (telegram).	...do....	Withdrawal of Americans from Mexico. No funds available for maintenance of refugees while in this country. Furnish transportation to absolutely destitute Americans	691
1557	General Funston to Mr. Baker (telegram).	June 7	Political affairs. Attitude of the Mexican <i>de facto</i> Government authorities toward activities of Luis de la Rosa and Aniceto Pisano.	568
	Mr. Garrett to Mr. Lansing (telegram).	...do....	Same subject. Reports that recruiting efforts of de la Rosa had sanction of <i>de facto</i> Government and that Austrian Consul at Monterey openly advocated the anti-American demonstration in Monterey	569
130	Mr. Rodgers to Mr. Lansing (telegram)	...do....	Protection of American mining interests. Orders have been issued to prevent any collection of taxes on mining properties by State authorities.	722
125	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Same subject. Request that decree 53, dated May 18, signed by Calles be nullified.	722
	Mr. Lansing to Mr. Silliman (telegram).	June 8	Political affairs. Investigate the report that de la Rosa has the sanction of <i>de facto</i> Government in his recruiting activities.	569
85	Mr. Rodgers to Mr. Lansing.	...do....	Protection of American oil interests. Forwards translation of the recent decree which provides for an inspection fee in the matter of the exploitation of oil lands	765
	Mr. Robertson to Mr. Lansing	June 9	Political affairs. Submits report on the plan of San Diego and other conditions in the Monterey section.	570
1477	Mr. Canada to Mr. Lansing	...do....	Seizure and confiscation of American properties. Plan to collect forced contributions from Americans has been abandoned.	779
	Mr. Lansing to Mr. Hanna (telegram).	...do....	Withdrawal of Americans from Mexico. In case of danger, close Consulate and come to border. Americans should be advised to do likewise	692
129	Mr. Lansing to Mr. Rodgers (telegram).	June 10	Political affairs. Department reliably informed that de la Rosa is being aided and abetted by Carranza officials in his lawlessness. Bring to the attention of Carranza	572
	Mr. Silliman to Mr. Lansing (telegram)	...do....	Same subject. Governor has urged General Ricaut to cooperate in pursuit of de la Rosa.	573
	Mr. Garrett to Mr. Lansing (telegrams)	June 11	Same subject. Part of de la Rosa outfit raided Texas 45 miles above Laredo	573
	Same to same.....	June 12	Same subject. Another invasion of Texas by small band of armed Mexicans.	573
131	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Same subject. Inform authorities that de la Rosa invaded Texas 45 miles above Laredo.	574
	Mr. Silliman to Mr. Lansing (telegram).	...do....	Same subject. General Ricaut states that entire band of de la Rosa has been captured. Rosa having escaped was later arrested in Monterey.	574
	Mr. Garrett to Mr. Lansing (telegram).	...do....	Same subject. Further facts of Laredo incident....	574
142	Mr. Rodgers to Mr. Lansing (telegram).	June 13	Same subject. Department's 131, June 12, 5 p. m., complied with. Foreign Office informed me de la Rosa prisoner at Matamoros. Numerous previous representations concerning de la Rosa of no avail.	574
135	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Same subject. Inform authorities that leader of recent raid above Laredo has been killed. He wore Carranza uniform. Papers on his person showed him to be Colonel Villareal of Carranza army.	575
	Mr. Garrett to Mr. Lansing (telegram).	June 15	Same subject. Much anti-American feeling in Nuevo Laredo.	575
	Mr. Johnson to Mr. Lansing (telegrams)	...do....	Same subject. Bandits crossed river at San Ygnacio and attacked a part of our troops. General Ricaut fears a general engagement with troops sent up to suppress raiders should our troops cross river in pursuit	575
	Same to same.....	...do....	Same subject. General Ricaut says that he has captured 40 of de la Rosa's band and that de la Rosa himself is in jail at Monterey. States that he has left men well posted on border.	575
141	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Same subject. Inform authorities that feeling is very tense among Texans as a result of attack on American guard 30 miles below Laredo.	576
1616	General Funston to Mr. Baker (telegram).	...do....	Same subject. Carrancista troops are said to be in pursuit of bandits who attacked American guard below Laredo.	576

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No.	From and to whom	Date	Subject	Page
339	Mr. Lansing to Mr. Parker (telegram).	1916 June 15	Withdrawal of Americans from Mexico. Department does not consider that presence in Mexico City of families of American business men is essential for business reasons. Continue to advise Americans to leave.	692
	Mr. Lansing to Mr. Baker	...do....	Same subject. Requests that transport be sent to Tampico and Vera Cruz for the purpose of conveying such Americans as desire to return to the United States.	692
340	Mr. Lansing to Mr. Parker (telegram).	June 16	Same subject. Induce as many Americans as possible to take passage for United States on transport which War Department has been requested to send to Tampico and Vera Cruz.	693
	Mr. Ingraham to Mr. Lansing	...do....	Same subject. Transport <i>Summer</i> ordered to be put in commission.	693
	Mr. Garrett to Mr. Lansing (telegram)	June 17	Political affairs. Papers found on some of the dead raiders identify them as Carranza men.	576
1642	General Funston to Mr. Baker (telegram).	...do....	Same subject. Telegram from General Trevino to General Pershing stating that he has orders from his Government to prevent any movement of American troops to the south, east or west. Reply of General Pershing.	577
	Mr. Garrett to Mr. Lansing (telegram)	...do....	Same subject. Another raid of larger proportions is being planned.	577
	Mr. Johnson to Mr. Lansing (telegram)	...do....	Same subject. American cavalry crossed border. More to follow.	577
	Mr. Dawson to Mr. Lansing (telegrams).	...do....	Same subject. Entrance of any more American soldiers or sailors into Mexico to be considered as an act of war.	578
	Mr. Cobb to Mr. Lansing (telegram).	...do....	Protection of Americans and American interests. Villistas raid camp of San Juan Mine Company.	670
	Mr. Dawson to Mr. Lansing.	June 18	Political affairs. Landing of naval officers and men prohibited.	578
	Admiral Winslow to Mr. Daniels (telegram).	June 19	Same subject. Party from <i>Annapolis</i> while in shore for parleying with Mexicans was fired upon. One member gravely wounded and others taken prisoners. Crew returned.	578
	Mr. Brown to Mr. Lansing.	...do....	Same subject. Details of the attack on the boat from the <i>Annapolis</i> .	578
	Mr. Lansing to Mr. McAdoo (telegram).	...do....	Embargo against the exportation of arms and munitions into Mexico. Asks that collectors of customs be instructed to hold up all shipments of munitions of war to Mexico, regardless of recent permits granted by the Department of State or by the President.	792
	Mr. Neale to Mr. Lansing.	...do....	Protection of American mining interests. Protests the arbitrary interference of <i>de facto</i> Government with the property of the Cubo Mining & Milling Co. and the Mina Mexico Mining Co.	722
	Mr. Lansing to Mr. Arredondo.	June 20	Political affairs. Asks that American note in reply to the communication from Señor Aguilar of May 22, 1916, be transmitted to him.	580
	Mr. Lansing to Mr. Aguilar	...do....	Same subject. American reply to demand of <i>de facto</i> Government of Mexico for the withdrawal of American troops.	581
	Mr. Blocker to Mr. Lansing (telegrams).	...do....	Seizure and confiscation of American properties. All military commanders in neighborhood of American ranches within a radius of 100 miles of the border have been ordered by Governor of State of Coahuila to immediately begin gathering of all horses and cattle thereon.	779
	Same to same	...do....	Same subject. Confiscation of American brewery at Sabinas. Raid on American owned hacienda on Mexican side near Guerrero.	780
151	Mr. Lansing to Mr. Rodgers (telegrams).	...do....	Same subject. Bring to attention of Carranza the report that the authorities in the northern part of Coahuila have seized or are about to seize American stock.	780
	Mr. Lansing to the British Consul, Salina Cruz (telegram).	...do....	Withdrawal of Americans from Mexico. Advise all Americans in your district to withdraw from that district.	693
163	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Same subject. Arrangements for transportation Americans to Vera Cruz. Protection promised.	693
	Mr. Hostetter to Mr. Lansing (telegram).	...do....	Same subject. Consulate closed. Have arrived with most Americans in district. Protection afforded en route.	694
	Mr. Lansing to Mr. Naon.	June 21	Political affairs. States purpose of American Government in the event of hostilities. Same to other Latin American representatives in Washington.	592

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		1916		
165	Mr Rodgers to Mr. Lansing (telegram)	June 21	Same subject. Bulletin from Mexican War Office announces engagement in State of Chihuahua between American and Mexican forces. Bulletin generally interpreted as beginning of hostilities.	592
153	Mr Lansing to Mr Rodgers (telegrams)	...do....	Seizure and confiscation of American properties. Request immediate orders to stop wholesale confiscation of houses and cattle belonging to Americans in the State of Coahuila.	780
167	Same to same.....	...do....	Same subject. Insist that Governor of Coahuila be immediately ordered to desist from anti-American activities.	781
	British Consul, Salina Cruz, to Mr Lansing (telegram)	...do....	Withdrawal of Americans from Mexico. Majority of Americans here will not withdraw unless absolutely necessary. Advisable that cruiser be sent.	694
	Mr Baker to Mr Lansing.	...do....	Same subject. Transport <i>Summer</i> is being made ready for the return of refugees from Vera Cruz and Tampico, Mexico.	694
160	Mr. Lansing to Mr. Rodgers (telegrams).	June 22	Political affairs. Accounts of clash between American and Carranza troops at Carrizal as given to General Bell by Mexican Consul Garcia and an American.	593
1541	General McCain to General Funston (telegram)	...do....	Same subject. No direction should be given to General Pershing to make the moves which he recommends until official report is received and transmitted here and action authorized from here.	593
1734	General Funston to Mr. Baker (telegram)	...do....	Same subject. Report from General Pershing concerning Carrizal attack.	593
	Mr. Canada to Mr Lansing (telegram).	...do....	Withdrawal of Americans from Mexico. What provision will be made for English and other foreigners seeking refuge on the boat?	695
	Mr. Lansing to Mr Canada (telegram)	...do....	Same subject. After Americans have been taken aboard, foreigners will be given refuge on vessels to the extent of the room available.	695
	Mr Lansing to British Consul, Salina Cruz (telegram).	...do....	Same subject. It is believed that Admiral Winslow will have naval vessel at Salina Cruz in few days. All Americans should withdraw while this opportunity presents itself.	695
159	Mr Lansing to Mr. Rodgers (telegram)	...do....	Same subject. Request that Guadalajara authorities be instructed to permit Americans to travel on railroads.	605
353	Mr. Lansing to Mr. Parker (telegram)	...do....	Same subject. Americans can take refuge on war vessel at Vera Cruz until arrival of transport. Destitute refugees will be given transportation to their homes, after which financial assistance ceases.	696
	Mr. Guyant to Mr Lansing (telegram)	...do....	Same subject. Requests authority to ship Porto Ricans to New Orleans by freighter.	696
1755	General Funston to Mr. Baker	June 23	Political affairs. More details of Carrizal clash.....	594
	Mr. Blocker to Mr. Lansing (telegram).	...do....	Same subject. Seven thousand goats and sheep, property of Mr. Boicourt, an American citizen, have been seized and carried away.	781
	Mr Lansing to Mr Blocker (telegram).	...do....	Seizure and confiscation of American properties. Time inopportune for making representations concerning property of Mr. Boicourt.	781
	Mr. Lansing to Mr. Guyant (telegram).	...do....	Withdrawal of Americans from Mexico. Send Porto Ricans on freighter to New Orleans.	696
164	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Same subject. Insist that Americans taken from train from Mexico City be released.	696
	Mr. Lansing to Mr. Daniels	...do....	Same subject. Asks whether certain arrangements for the removal of refugees meet with the approval of the Navy Department.	697
	Mr. Daniels to Mr. Lansing	...do....	Same subject. Acknowledges receipt of Department's letter of June 23 and agrees to proposed arrangement.	698
1776	General Funston to Mr. Baker (telegram).	June 24	Political affairs. Further report concerning Carrizal engagement.	594
	Mr. Arredondo to Mr. Lansing	...do....	Same subject. Informs American Government in reference to Carrizal incident.	595
	Mr. Lansing to Mr. Simpich (telegram).	...do....	Protection of Americans and American interests. Request authorities not to execute sentence against Hand until opportunity is afforded this Government for investigation.	670
	Mr. Simpich to Mr. Lansing (telegram).	...do....	Withdrawal of Americans from Mexico. Does Department authorize furnishing transportation to destitutes from border to homes in States?	698
	Mr. Lansing to Mr. Canada (telegram).	...do....	Same subject. Confer with agent of Ward Line who has been instructed regarding transportation of refugees on <i>Monterey</i> .	698
	Mr. Ingraham to Mr. Lansing.	...do....	Same subject. Will transport <i>Summer</i> be required for any additional trips to Mexico for refugees?	699
168	Mr. Lansing to Mr. Rodgers (telegram).	June 25	Political affairs. Demand for the release of American prisoners taken at Carrizal.	595

No	From and to whom	Date	Subject	Page
1786	General Funston to Mr. Baker (telegram).	1916 June 25	Same subject. An account of the Carrizal encounter as given by Captain Morey	596
	Mr. Blocker to Mr. Lansing (telegram).	---do---	Protection of Americans and American interests. Consulate at Torreon stoned by mob.	670
185	Mr. Rodgers to Mr. Lansing (telegram).	June 26	Political affairs. Department's instruction 188, June 25, 1 p. m, complied with. Assured communication would be brought to attention of General Carranza immediately	596
	Mr. Simpich to Mr. Lansing (telegram)	---do---	Protection of Americans and American interests. Mexican version of the Hand incident	671
	Mr. Silliman to Mr. Lansing (telegram).	---do---	Seizure and confiscation of American properties. Governor of Coahuila sent word that military appropriation of stock on American properties was unauthorized, and stock is to be returned to owners.	781
	The Oil Fields of Mexico Co. to Mr. Lansing.	---do---	Protection of American oil interests. Incloses copy of decree No. 24, and copy of an "Aviso" relating to the same decree; both emanating from the Governor of the State of Vera Cruz. Will look to Department in case attempt is made to apply this decree.	766
	Mr. Lansing to Mr. Neale.	---do---	Protection of American mining interests. Acknowledges the receipt of letter of June 19, 1916. The decrees mentioned in the letter were the subject of recent representations to the <i>de facto</i> Government.	724
	British Consul at Chihuahua to British Embassy.	June 27	Political affairs. States number of American troops are interned in penitentiary at Chihuahua. Well treated.	597
	Mr. Lansing to Mr. Avery (telegram).	---do---	Withdrawal of Americans from Mexico. Advise all Americans in Quintana Roo to withdraw from Mexico immediately.	699
	Mr. Daniels to Mr. Lansing.	---do---	Same subject. Submits proposed alternative instructions to naval commanders for choice and approval of State Department.	699
192	Mr. Rodgers to Mr. Lansing (telegram).	June 28	Political affairs. Orders to release prisoners will be given. Answer as to future course of action required by American Government will be given later.	597
	Mr. Arredondo to Mr. Lansing.	---do---	Same subject. Claims that some 300 peaceful persons have been arrested and maltreated by American forces before being released. That Apaches attached to Peishing's command are committing all kinds of outrages.	597
	Mr. Simpich to Mr. Lansing (telegram).	---do---	Seizure and confiscation of American properties. Military authorities Nogales are seizing valuable ores and bullion belonging to Americans.	782
	Mr. Lansing to Mr. Dawson (telegram).	---do---	Withdrawal of Americans from Mexico. This Government feels that it can not be responsible for safety of Americans who disregard advice to leave immediately. Same to Mr. Parker and other American Consuls.	700
	Mr. Lansing to Mr. Hanna (telegram).	---do---	Same subject. Telegram of June 28 to the Consul at Tampico, repeated to Consul General Hanna. Instructs to hand copy to all Consuls now in San Antonio.	700
	Mr. Lansing to Mr. Cobb (telegram).	---do---	Same subject. Telegram to the American Consul at Tampico, June 28, 1916, repeated to Collector Cobb.	700
	Mr. Lansing to Mr. Simpich (telegram).	---do---	Same subject. Furnish transportation to absolutely destitute American refugees.	701
	Mr. Lansing to Mr. Daniels.	---do---	Same subject. Acknowledges letter of June 27 from Navy Department.	701
	Mr. Cobb to Mr. Lansing (telegram).	June 29	Protection of Americans and American interests. San Juan Mining Co. again raided. No protection afforded although the Carranza authorities have been continuously requested to do so.	671
178	Mr. Lansing to Mr. Rodgers (telegram).	---do---	Seizure and confiscation of American properties. Request authorities order depredations upon American property in Sonora stopped and restoration seized property.	782
	Mr. Guyant to Mr. Lansing (telegram).	June 30	Withdrawal of Americans from Mexico. Quarantine station not able to care for all the Porto Rican refugees. Asks authorization to care for surplus during detention.	701
	Mr. Lansing to Mr. Baker.	July 1	Political affairs. Transmits Mr. Arredondo's letter of June 28, and requests report.	598
	Mr. Lansing to Mr. Dawson (telegram).	---do---	Same subject. Requests full information regarding firing on launch of U. S. Navy by Carranza soldiers.	598
205	Mr. Rodgers to Mr. Lansing (telegram).	---do---	Seizure and confiscation of American properties. No results from numerous representations except promised investigations. Little control exercised over some State Governments and northern army officers.	782
	Mr. Lansing to Mr. Guyant (telegram).	---do---	Withdrawal of Americans from Mexico. Authorized to care for surplus refugees.	702

No.	From and to whom	Date	Subject	Page
		1916		
	Mr Dawson to Mr. Lansing (telegram).	July 2	Political affairs. Reply to Department's July 1, 1 p. m.	598
	Mr. Lansing to Mr Baker...	July 3	Withdrawal of Americans from Mexico. The transport will be required to convey 200 Porto Ricans to their homes.	702
	Mr Arredondo to Mr. Lansing.	July 4	Political affairs. Note regarding adjustment of difficulties between the United States and Mexico through the mediation of certain Latin-American countries.	599
	Mr Lansing to Mr. Dawson (telegram).	July 6	Withdrawal of Americans from Mexico. Request authorities take steps to safeguard lives of persons reported hiding in mountains in vicinity of Chamal. Same to American Consul, Brownsville, Tex	702
	Mr. Ingraham to Mr. Lansing	...do...	Same subject. Unless otherwise notified, the <i>Summer</i> will be returned to Newport News, after disembarking the Porto Rican refugees at San Juan, P. R.	702
	Mr. Lansing to Mr. Arredondo.	July 7	Political affairs. Reply to the note of July 4, 1916, from the <i>de facto</i> Government. The Government of the United States is prepared immediately to exchange views	600
	Mr Garrett to Mr. Lansing (telegram).	...do...	Same subject. Additional evidence that the de la Rosa gang was recruited and commanded by Carranza officers.	600
	Mr. Polk to Mr. Rodgers (telegram).	...do...	Protection of Americans and American interests. Request <i>de facto</i> Government to issue orders for protection of property of A. R. Downs in Guadalajara and near Manzanillo.	672
84	Mr. Polk to Mr. Dawson...	...do...	Same subject. Department's response to the American citizens at Tampico who addressed a memorial to the President relative to certain Mexican decrees affecting property rights.	672
	Mr Dawson to Mr Lansing (telegram).	...do...	Withdrawal of Americans from Mexico. Approximately 90 Americans in Chamal Colony, fully advised of conditions, have decided to remain preferring to take chances rather than abandon their property	703
	Mr. Arredondo to Mr. Lansing.	July 12	Political affairs. Mexican reply to American note of July 7, 1916. Proposition to appoint a joint commission to settle the differences between the two Governments	601
196	Mr. Polk to Mr. Rodgers (telegrams).	...do...	Protection of Americans and American interests. Request Juarez authorities be instructed to investigate and cause the return of horses which are now being detained by Mexican authorities at San Ygnacio.	673
193	Same to same (telegram)	...do...	Seizure and confiscation of American properties. Request authorities to return money taken from Mr. Blankenship	783
200	Same to same (telegram)	July 13	Political affairs. Informs of the proposals contained in Mexican note of July 12.	601
	Same to same	...do...	Same subject. Gives details of an attack on American naval forces at Mazatlan. Instructs to insist on adequate punishment of those responsible.	602
218	Mr. Rodgers to Mr. Lansing (telegram).	...do...	Seizure and confiscation of American properties. Officials more disposed to afford protection to American interests.	783
	Mr. Polk to Mr. Canada (telegram).	...do...	Withdrawal of Americans from Mexico. Gives certain instructions concerning expenditures to be made for relief of destitute Americans.	703
	Mr. Garrett to Mr. Lansing (telegram).	...do...	Same subject. Chamal colonists in mountain ask Department's aid in getting them out.	703
202	Mr. Polk to Mr. Rodgers (telegrams).	July 14	Seizure and confiscation of American properties. Request that Governor of Sonora be ordered to state immediately grounds for his action against the Richardson Construction Co.	783
205	Same to same	...do...	Same subject. Request authorities to return to the agents of the Richardson Construction Co. property taken from its premises near Guayamas.	784
209	...do...	...do...	Same subject. If report is true that Bahicora Ranch, Chihuahua, has been seized by the <i>de facto</i> Government, lodge protest and ask for release of property.	784
	Act of Congress	...do...	Withdrawal of Americans from Mexico. An act of Congress for relief of Americans in Mexico.	704
	Mr. Polk to Mr. Rodgers	July 15	Political affairs. Corrected report of the Mazatlan incident.	602
222	Mr. Rodgers to Mr. Lansing (telegram).	...do...	Protection of American mining interests. Secured extension of time for payment taxes current tercio without penalty until Sept. 1. Informed no action in relation to confiscation, fines or other penalties for nonpayment taxes last tercio had been ordered.	725

No.	From and to whom	Date	Subject	Page
	Mr. Polk to Mr. Rodgers..	1916 July 17	Political affairs. Incloses copy of Mr. Brown's report on the Mazatlan affair.	603
212	Same to same (telegram)---	...do....	Protection of Americans and American interests. Authorities of Villahermosa and Frontera are reported to have seized various tugs, boats and barges belonging Frontera Navigation Company. Request orders be issued to release property.	673
	Mr. Polk to Mr. Garrett (telegram).	...do....	Withdrawal of Americans from Mexico. Furnish destitute Americans at Chamal, transportation in accordance with Department's July 13, 1916.	704
229	Mr. Rodgers to Mr. Lansing (telegram).	July 19	Political affairs. Foreign Office anxiously awaiting American reply to conference proposal.	603
220	Mr. Polk to Mr. Rodgers..	...do....	Seizure and confiscation of American properties. Ask adequate protection for plantations, Buena Ventura, Las Palmas and La Junta, at Cascajal, Vera Cruz.	784
222	Same to same (telegram)---	July 20	Political affairs. President deems it highly important that the scope of the inquiry be broadened.	603
	Mr. Jusserand to Mr. Lansing.	...do....	Financial affairs. French Government seeks the assistance of the American Government in preventing the Mexican Government from carrying into effect the threat to lay a heavy monthly tax in gold on the National Bank of Mexico.	635
223	Mr. Polk to Mr. Rodgers..	...do....	Seizure and confiscation of American properties. Inform <i>de facto</i> Government that this Government expects disavowal of the numerous acts of depredation against American property, immediate restoration where property stills exists, adequate compensation for property destroyed, and punishment of responsible persons.	784
224	Same to same (telegram)---	...do....	Protection of American mining interests. Acknowledges receipt of telegram 222. It is reported that Department of Hacienda denies extension of time for payment taxes without penalty. Ask that Department of Hacienda be advised.	725
	Mr. Polk to Mr. McAdoo.	July 21	Embargo on the exportation of arms. Requests that collectors of customs along the Mexican border be instructed to permit all articles to cross the border to Mexico, except munitions and materials and machinery for the manufacture of munitions of war.	792
229	Mr. Rodgers to Mr. Lansing (telegram).	...do....	Protection of American mining interests. Reply to Department's 224, July 20, 6 p. m. Order to be issued extending time payment without penalty mining taxes current tercio until Sept. 1.	725
233	Mr. Polk to Mr. Rodgers..	July 22	Seizure and confiscation of American properties. Request the return of all American property confiscated in the State of Durango. Ask to be advised what action the Government intends to take to have such depredations discontinued.	785
237	Same to same-----	...do....	Same subject. Ask authorities to order the restoration of all American property taken in the Yaqui Valley and that it be given adequate protection.	785
233	Same to same (telegram)---	...do....	Protection of American mining interests. Request that officials in different mining sections be notified of action of Secretary of Treasury in granting extension until Sept. 1 payment of mining taxes without penalty.	726
	Mr. Garrett to Mr. Lansing (telegram).	...do....	Withdrawal of Americans from Mexico. Messenger sent to bring out Chamal colonists hiding in mountains.	704
	Mr. Polk to Mr. Arredondo.	July 28	Political affairs. American reply to Mexican proposal for appointment of a joint commission, suggests that the powers of the commission be enlarged.	604
249	Mr. Polk to Mr. Rodgers (telegram).	...do....	Same subject. Reply to Mexican note of July 12, given to Mr. Arredondo to-day. Explain to Foreign Office that the President hopes that the Mexican Government will see its way clear to accepting our suggestion.	604
248	Same to same (telegram)---	...do....	Financial affairs. Ascertain whether Mexican Government threatens to place heavy monthly tax in gold on National Bank of Mexico.	636
126	Mr. Rodgers to Mr. Lansing.	...do....	Withdrawal of Americans from Mexico. Denies on behalf of Mr. Parker and himself that any "orders" were ever issued to Americans to leave Mexico. Merely advised.	704
247	Same to same (telegram)---	July 29	Political affairs. Foreign Office pleased with note sent in reply to Mexican note of July 12. Matter of widening of scope of inquiry to be presented to Carranza at once for speedy reply.	605

No.	From and to whom	Date	Subject	Page
250	Same to same (telegram)...	1916 July 31	Financial affairs Answer to Department's 248, July 28, 4 p m Enforcement of payment of extra taxes temporarily suspended. Compromise somewhat satisfactory to all banks will be effected soon.	636
260	Mr Polk to Mr Rodgers (telegram).	Aug. 1	Political affairs. Assure Mexican Government that this Government has no intention of allowing question of cession of Mexican territory or that of pecuniary claims against Mexico to come before the commission.	605
263	Same to same (telegram)...	Aug. 2	Financial affairs Continue to exercise best efforts in behalf American interests in financial institutions in Mexico	636
	Mr Arredondo to Mr. Polk.	Aug. 4	Political affairs Designation of Mexican commissioners	606
	Mr. Polk to Mr. Jusserand.	...do....	Financial affairs. Reply to note from French Embassy, July 20, 1916 Enforcement of payment of extra taxes temporarily suspended. Compromise somewhat satisfactory to all banks to be effected in near future.	637
	Mr. Latchford to Mr Lansing	Aug. 7	Embargo on the exportation of arms. Reviews the policy of the United States Government in dealing with the shipments of arms and munitions into Mexico.	703
	Mr Lansing to Mr Rodgers	...do....	Withdrawal of Americans from Mexico. Acknowledges dispatch No. 126, July 28, 1916.	705
278	Mr Rodgers to Mr. Lansing (telegram).	Aug. 10	Protection of American oil interests Have filed protest against the order to notaries which provides that in formation of new corporations for exploration and exploitation of oil lands, charter shall contain clause providing that foreign stockholders shall renounce their national rights as to company affairs	771
287	Mr. Lansing to Mr. Rodgers (telegram).	Aug. 12	Protection of American mining interests. Chief Administrator, stamp office, Nogales, refuses to accept payment from Arizona-Mexico Land Co. of current taxes except upon repayment of taxes paid Maytorena. Request orders be issued for acceptance current taxes without reference to past taxes.	726
293	Same to same (telegram)...	Aug. 15	Political affairs. Gives reason for delay in appointing the American commissioners.	606
2448	General Funston to Mr. Baker (telegram).	...do....	Same subject. States that the outlaws captured in the Columbus raid and turned over to General Gavira on his demand have been granted amnesty by the Carranza commander, Colonel Diaz.	606
	Mr. Lansing to Mr. Arredondo.	Aug. 16	Same subject. General Pershing's denial of the charge that American troops were committing outrages in Mexico.	607
295	Mr Lansing to Mr. Rodgers (telegram).	...do....	Protection of American oil interests. Your 278, August 10, 11 a. m. Decree referred to can not be regarded by the United States Government as annulling the relations existing between itself and its citizens who may own stock in such corporation.	772
144	Mr. Rodgers to Mr. Lansing.	...do....	Protection of American mining interests. Forwards a copy of a formal protest, presented to the Secretary of Foreign Affairs, in the matter of forfeiture of any mining land leases for failure to pay the taxes corresponding to the tercio which ended Feb. 29, 1916.	726
303	Mr. Lansing to Mr. Rodgers (telegram).	Aug. 18	Seizure and confiscation of American properties. Instructions have been issued to take possession of all nuts on the river San Antonio, Coahuila. Request that, if compatible with Mexican law, orders be issued for relief of Mr. Woodward.	785
294	Mr. Rodgers to Mr. Lansing (telegram).	Aug. 19	Protection of American oil interests. Department's 295, Aug. 16, 5 p. m. Had already made such representation, and furthermore have formally protested against decree of Aug. 15.	772
307	Mr. Lansing to Mr. Rodgers (telegram).	...do....	Protection of American mining interests. Request suspension payment mining taxes be extended 60 days from Sept. 1 without fines or penalties. Ask that instructions be issued to State Governments not to exercise pressure upon American mining companies to begin operations.	728
301	Mr. Rodgers to Mr. Lansing (telegram).	Aug. 21	Same subject. Department's 307, Aug. 19, noon. Cabrera to-day instructed State Governments to desist from action seeking to compel operation mines before transportation can be guaranteed. Promises consideration in the matter of extension of time for payment of taxes last tercio without penalty.	728

MEXICO—Continued

No.	From and to whom	Date	Subject	Page
311	Mr. Lansing to Mr. Rodgers (telegram).	1916 Aug. 22	Protection of American oil interests. Your 294, Aug 19, 4 p. m. Make representations as instructed Department's 285, advising authorities that you are acting under specific instructions from this Government.	772
308	Mr. Rodgers to Mr. Lansing (telegram).	Aug. 23	Protection of American mining interests. Mining companies which can not prove absolute financial inability through various causes attributable directly to failure <i>de facto</i> Government to protect will do wisely to pay taxes last tercio before Sept. 1.	729
316	Mr. Lansing to Mr. Rodgers (telegram).	---do---	Same subject. As mining companies must know by Saturday next whether extension will be granted to pay last tercio's taxes, renew your efforts to obtain extension and telegraph result not later than Friday night.	729
	Mr. Lansing to Mr. Neale.	---do---	Same subject. Advises him of contents of Mr. Rodgers' telegram No. 301.	729
314	Mr. Rodgers to Mr. Lansing (telegram).	Aug. 24	Same subject. No extension of time for payment without penalty mining taxes last tercio will be granted.	730
	Mr. Cobb to Mr. Lansing	Aug. 25	Protection of Americans and American interests. Gen. Luis Herrera has started a few men to work in Jesus Maria Mine. Company advised to communicate direct with Department.	673
	President Wilson to Mr. Lane.	Aug. 31	Political affairs. Authorizes Mr. Lane to act as a member of the American-Mexican Joint Commission. Same to Messrs. Gray and Mott.	607
	Mr. Cobb to Mr. Lansing (telegram).	Sept. 1	Same subject. Villa reported to have defeated Carrancistas at Satevo and Santa Ysabel.	608
1972	Mr. Lansing to Mr. Parker.	---do---	Protection of American mining interests. Approves action taken by Mr. Rodgers as reported in his 144.	730
374	Mr. Parker to Mr. Lansing (telegram)	Sept. 4	Protection of American oil interests. Department of Hacienda publishes a decree dated Sept. 2 requiring all oil companies already producing to register in the tax bureau before Sept. 15 and within 15 days from the date of first production for the companies which have not yet produced oil.	772
506	Same to same.	Sept. 5	Same subject. Transmits text of decree dated Sept. 2, 1916, requiring the registration of all oil companies.	773
	Mr. Lane to Mr. Lansing (telegram).	Sept. 6	Political affairs. Meeting of the joint commission.	608
	Mr. Hanna to Mr. Lansing (telegram).	Sept. 7	Same subject. Dela Rosa reported still at liberty in Monterey.	609
379	Mr. Parker to Mr. Lansing (telegrams).	---do---	Protection of Americans and American interests. Department's 114, June 1, 4 p. m., to Rodgers. Troops now distributed places mentioned guaranteeing protection American lives and property.	673
380	Same to same.	---do---	Seizure and confiscation of American properties. Reply to Department's 153 of June 21, 3 p. m., to Rodgers. Foreign Office denies allegations.	786
382	Same to same.	---do---	Same subject. Reply to Department's 220 of July 19, 6 p. m., to Rodgers. Foreign Office promises protection to properties mentioned.	786
	Mr. Cobb to Mr. Polk.	Sept. 9	Protection of Americans and American interests. Further report concerning the working of the American-owned Jesus Maria Mine by General Herrera.	674
388	Mr. Parker to Mr. Lansing (telegram).	Sept. 10	Financial affairs. Demand for specie payment of some 200,000 pesos in their respective issue of bank notes at par is said to have been made on the Banco Nacional and Banco Londres y Mexico.	637
	Mr. Jusserand to Mr. Lansing.	Sept. 11	Same subject. Requests good offices of American Government to prevent violent measures being taken against the Bank of London and Mexico.	638
	Mr. Lansing to Mr. Blocker (telegram).	---do---	Seizure and confiscation of American properties. Informs that Foreign Office denies confiscation property on American ranches along border.	786
	Mr. Blocker to Mr. Lansing (telegram).	Sept. 12	Same subject. Reply to Department's Sept. 11, 1916, 4 p. m. Confiscation order revoked.	786
1753	Mr. Lansing to Mr. Jusserand.	Sept. 16	Financial affairs. Reply to the note of the French Embassy dated Sept. 11, 1916. Matter of redemption of bank notes in coin has been brought to the attention of American commissioners at New London.	639
401	Mr. Parker to Mr. Lansing (telegram).	Sept. 17	Protection of American mining interests. Mining decree dated Sept. 14.	730
402	Same to same (telegram).	Sept. 18	Financial affairs. Decree published cancelling the right of banks of issue to emit bank notes and ordering them within 60 days to cover the entire amount of their issues with metallic reserves.	639

No.	From and to whom	Date	Subject	Page
	Mr. Jusserand to Mr. Lansing	1916 Sept. 18	Same subject. Asks that American delegates at the New London conference impress upon Mexican Minister the injurious effects certain acts against the Bank of London and Mexico and the National Bank are likely to have upon the credit of Mexico.	640
423	Mr. Lansing to Mr. Parker (telegram)	...do....	Protection of American mining interests. Report whether recent Carranza decree requires repayment of taxes paid Villa in territory controlled by Villa faction. Forward copy of decree if issued.	731
	Mr. Lansing to Mr. Hanna (telegram).	Sept. 19	Political affairs. Asks whether de la Rosa was ever brought to him for identification.	600
519	Mr. Parker to Mr. Lansing.	...do....	Protection of American mining interests. Transmits copies and translation of the decree dated Sept. 14, relative to the operation of mines in Mexico.	731
2918	General Funston to Mr. Baker (telegrams).	Sept. 20	Political affairs. Account of Villa's attack on Chihuahua.	600
	Mr. Canada to Mr. Lansing (telegram).	...do....	Financial affairs. Banks given 60 days by decree of Sept. 15 to cover their bills with metallic reserves.	641
	Same to same	...do....	Same subject. Incloses a translation of recent bank decree.	641
408	Mr. Parker to Mr. Lansing (telegram).	...do....	Same subject. Banco Nacional and Banco Londres y Mexico were forced to pay 400,000 pesos in specie mentioned in telegram 588, Sept. 10, 10 p. m.	643
430	Mr. Lansing to Mr. Parker (telegram).	...do....	Seizure and confiscation of American properties. American properties at Salina Cruz again raided. Urge upon the authorities the necessity of prompt action.	787
428	Same to same (telegram)	...do....	Protection of American mining interests. Forward immediately translation of decree mentioned in telegram 401.	733
415	Mr. Parker to Mr. Lansing (telegram).	Sept. 22	Same subject. Reply to Department's 423 Sept. 18, 6 p. m. Decree dated June 19, 1915, provides that taxes paid to pretended forces are considered paid. Rear taxes should be paid within a month from occupation thereafter with penalties. Am making investigation for a more recent decree.	733
441	Mr. Lansing to Mr. Parker (telegram).	Sept. 23	Same subject. American mining companies give reasons why the decree of Sept. 14 can not be complied with. Seek annulment of decree.	734
2984	General Funston to Mr. Baker (telegram).	Sept. 25	Political affairs. Further report of Villa's attack on Chihuahua.	610
	Mr. Lansing to Mr. Jusserand.	...do....	Financial affairs. Acknowledges receipt of note of French Embassy dated Sept. 18, 1916. Copies of note sent to American commissioners at New London.	643
	Mr. Siller to Mr. Lansing.	Sept. 26	Political affairs. The <i>de facto</i> Government's version of the attack on Chihuahua.	610
530	Mr. Parker to Mr. Lansing.	Sept. 27	Protection of American oil interests. In compliance with Department's telegraphic instruction No. 424 of Sept. 18, 7 p. m., transmits official bulletins containing the decrees in question.	773
435	Same to same (telegrams)	Sept. 28	Financial affairs. Confiscation of National Bank and Bank of London and Mexico reported.	643
453	Same to same	Oct. 6	Seizure and confiscation of American properties. Foreign Office denies every statement in Department's 178, June 29, 4 p. m., to Rodgers.	787
459	Same to same	Oct. 7	Same subject. Reply to Department's 303, Aug. 18, noon to Rodgers. Nuts being harvested by order of Department of Fomento.	787
478	Mr. Polk to Mr. Parker (telegram).	Oct. 11	Protection of American mining interests. If any American companies can not comply with the decree on the operation of mines, it would be advisable for them to file a statement with the appropriate Mexican authorities setting forth why resumption of work can not be undertaken at this time.	734
484	Mr. Lansing to Mr. Parker (telegram).	Oct. 12	Protection of Americans and American interests. Request appropriate authorities order work stopped at the Jesus Maria Mine.	484
481	Mr. Parker to Mr. Lansing.	...do....	Financial affairs. Memorandum of manager of Bank of London and Mexico on the enforcement of decree of Sept. 15.	644
	Mr. Lansing to Mr. Long (telegram).	...do....	Embargo on the exportation of arms. The United States would consider it a very friendly act if the Salvadorean Government would prevent the shipment of munitions of war to Mexico, pending return of more normal conditions.	704

MEXICO—Continued

No.	From and to whom	Date	Subject	Page
479	Mr. Lansing to Mr. Parker (telegram).	1916 Oct. 12	Protection of American mining interests. Inform appropriate authorities that on account of recent burning of mine headframe and lack of supplies owners of Nueva Luz mine at Guanajuato assert that they are unable to resume operations at present. Request that this be considered sufficient reason why mine can not resume work immediately.	735
	Mr. Cobb to Mr. Lansing (telegram)	Oct. 14	Protection of Americans and American interests. Further reports concerning the work of the Jesus Maria Mine.	674
	Mr. Lansing to Mr. Catlin (telegram).	...do....	Protection of American mining interests. Acknowledges letter of Oct. 10, 1916. Advises company to file with proper Mexican authorities a statement of reasons why it can not comply with mining decree.	735
	Mr. Polk to Mr. Leavell (telegram).	Oct. 19	Embargo on the exportation of arms. The United States would consider it a very friendly act if the Guatemalan Government would prevent the shipments of munitions of war to Mexico, pending the return of more normal conditions. Same to American Legations at Tegucigalpa, Managua, San Jose and Habana.	795
502	Mr. Parker to Mr. Lansing.	Oct. 20	Seizure and confiscation of American properties. Department's 430, Sept. 20, 5 p. m. Protection afforded properties.	787
504	Mr. Polk to Mr. Parker (telegram).	...do....	Protection of American mining interests. Telegraph result representations you were instructed to make in Department's 441, and continue your efforts to obtain annulment of decree.	736
561	Mr. Parker to Mr. Lansing.	...do....	Same subject. Transmits a copy of the decree of June 19, 1915, and translations of correspondence with the Department of Hacienda relating thereto.	736
	Mr. Dawson to Mr. Lansing (telegram).	Oct. 24	Political affairs. Revolutionists becoming more active south and west of Tampico.	611
3447	General Funston to Mr. Baker (telegrams).	...do....	Same subject. Further confirmation of report that Villa defeated Carranza forces at Chihuahua.	611
3456	Same to same-----	Oct. 25	Same subject. Gives towns and territory in control of Villa.	612
511	Mr. Lansing to Mr. Parker (telegram).	...do....	Protection of Americans and American interests. Ask authorities to indicate immediately what action will be taken to protect American properties in Yaqui Valley.	675
521	Mr. Parker to Mr. Lansing (telegram).	Oct. 26	Same subject. Herrera said to have ordered suspension of work in Jesus Maria Mine immediately after fact brought to his attention.	675
527	Same to same-----	Oct. 27	Financial affairs. Explains the effect of certain articles of the decree of Sept. 15, 1916.	645
518	Mr. Lansing to Mr. Parker (telegram).	Oct. 30	Protection of Americans and American interests. Request that situation of Americans at Carmen be investigated and that authorities be given instructions to protect them.	675
	General Pershing to General Funston.	Nov. 2	Political affairs. Carrancistas seem impotent to restore anything like peace in Chihuahua.	612
545	Mr. Parker to Mr. Lansing (telegram).	Nov. 4	Protection of American oil interests. Press publishes statement that all permits, laws, decrees, leases issued by the State Governments for exploitation and trading of minerals, coals and bitumen oil are null and void. Presumably applies to all acts issued since the establishment of the <i>de facto</i> Government.	775
531	Mr. Polk to Mr. Parker (telegram).	Nov. 6	Protection of Americans and American interests. Several Americans in Parral reported to have been executed by Villistas. Seek protection for those Americans still in Parral or its vicinity.	676
	Mr. Polk to Mr. Blocker (telegram).	...do....	Same subject. Inform local authorities in Piedras Negras that several Americans in Parral have been reported executed and request them to assist in effort to obtain facts.	676
530	Mr. Osborne to Mr. Parker (telegrams).	Nov. 7	Political affairs. Urgently request General Carranza to afford protection to the lives and interests of foreigners in Chihuahua City.	614
536	Same to same-----	...do....	Protection of American oil interests. Your 545, November 4, 3 p. m. Request authorities to furnish you with an official copy of decree and to inform you as to scope and effect.	776

No.	From and to whom	Date	Subject	Page
	Mr. Edwards to Mr. Lansing (telegram).	1916 Nov. 9	Protection of Chinese interests. Reports fully 200 Chinese refugees in Juarez from Villa country. Number increasing daily. Most of them in destitute circumstances. Suggests financial aid be rendered and that immigration station on the American side be opened to them in case of danger.	706
	Mr. Lansing to Mr. Cobb (telegram).	...do....	Withdrawal of Americans from Mexico. Inform British Consul at Chihuahua City to advise Americans to leave. British Embassy wishes him to use his best judgment in advising British subjects.	707
	Mr. Lansing to Mr. Edwards (telegram).	Nov. 10	Protection of Chinese interests. Department has no funds at its disposal that could be used to assist Chinese. Confer with immigration inspector, as it is understood that he has standing instructions regarding refuge.	797
541	Mr. Lansing to Mr. Parker (telegram).	...do....	Protection of American mining interests. Repeat representations concerning mining decree made in accordance with Department's 441, Sept. 23, 6 p. m. Also state that the United States Government can not permit the enforcement of the decree to pass without protest, on the ground that it is essentially illegal and confiscatory in character.	737
558	Mr. Parker to Mr. Lansing (telegram).	Nov. 11	Protection of Americans and American interests. Acknowledges Department's 511, Oct. 25, 6 p. m. State Government denies that tranquility of State has been interrupted. No mention of action contemplated to protect American property.	676
	Mr. Cobb to Mr. Lansing (telegram).	Nov. 13	Political Affairs. Tension in Chihuahua temporarily relieved by apparent retirement of Villa toward Uruao line.	614
	Mr. Blocker to Mr. Lansing (telegram).	...do....	Same subject. General Murguía with 6,000 troops reported moving north of Escalon.	615
	Mr. Lansing to Mr. Edwards (telegram).	...do....	Same subject. Obtain information as to truth of reported massacre of foreigners at Jimenez and Santa Rosalia.	615
	Mr. Blocker to Mr. Lansing (telegram).	...do....	Same subject. No accurate knowledge conditions and events beyond Bermejillo. Reported massacre of foreigners at Jimenez.	616
	Mr. Canada to Mr. Lansing (telegram).	...do....	Protection of Americans and American interests. Some Americans reported killed or injured on a train of the Inter-Oceanic said to have been wrecked between Perone and Jalapa on the 11th.	676
548	Mr. Lansing to Mr. Parker (telegram).	...do....	Same subject. Request authorities to order immediate return to American settlers at Esperanza and vicinity all arms and ammunition taken from them in June.	677
550	Same to same (telegram).	Nov. 14	Same subject. Point out to Foreign Office that it has failed to reply to Department's request as to what action was to be taken to protect American properties in the Yaqui Valley. In view of depredations upon American property request Foreign Office to explain how it can be said that there has been uninterrupted tranquility in the State of Sonora.	677
	Mr. Canada to Mr. Lansing (telegrams).	...do....	Same subject. Gives names of three of the victims of the Inter-Oceanic Railway accident.	677
	Mr. Lansing to Mr. Hanna	...do....	Protection of American mining interests. States, for the information and guidance of American consular officers, the action taken by the Department with reference to the decree requiring American mine owners to resume operation of their properties.	737
	Mr. Canada to Mr. Lansing (telegram).	Nov. 15	Protection of Americans and American interests. No American casualties Inter-Oceanic accident except those mentioned in telegram of No. 14, 6 p. m.	677
	Mr. Blocker to Mr. Lansing (telegrams).	...do....	Political affairs. Villistas reported near Cuatro Ciénegas.	616
	Same to same	Nov. 17	Protection of Americans and American interests. Reply to Department's Nov. 6, 5 p. m. Impresses upon Mexican authorities necessity of receiving definite information of Americans at Parral.	677
	Mr. Lansing to the French Consul, Mazatlan (telegram).	...do....	Withdrawal of Americans from Mexico. Request authorities to assist in locating Americans said to have left Parral for Ouliscan on Nov. 3.	707

MEXICO—Continued

No.	From and to whom	Date	Subject	Page
	Mr. Lansing to Mr. Daniels	1916 Nov. 17	Same subject. Asks that senior naval officer present in Mexican west coast waters be instructed to give necessary assistance to several Americans said to have left Parral for Culiacan should they arrive at a west coast port.	707
	Mr. Doherty to Mr. Lansing (telegram).	Nov. 18	Protection of Americans and American interests. Four refugees from Parral left Culiacan to-day for Nogales.	678
560	Mr. Lansing to Mr. Parker (telegram).	---do---	Protection of American mining interests. Ascertain whether report published in American newspapers that the mining decree of Sept. 14 has been extended until Jan. 14 next, is correct.	738
	Mr. Lansing to Mr. Doherty (telegram).	Nov. 20	Protection of Americans and American interests. Obtain from refugees statement concerning conditions at Parral and vicinity.	678
	Mr. Lansing to Mr. Coen (telegram).	---do---	Withdrawal of Americans. Advise Americans in your district to withdraw from Mexico.	708
575	Mr. Parker to Mr. Lansing (telegram).	Nov. 21	Protection of American mining interests. Department's 560, Nov. 18, 5 p. m. <i>El Demócrata</i> of 15th instant published circular of Fomento Department extending term until Feb. 14 next for the operation of mines.	738
	Mr. Coen to Mr. Lansing (telegram).	Nov. 22	Protection of Americans and American interests. Describes conditions at Parral.	678
577	Mr. Thurston to Mr. Lansing (telegram).	Nov. 23	Financial affairs. Reports he has assumed charge.	645
571	Mr. Folk to Mr. Parker (telegram).	Nov. 25	Protection of Americans and American interests. Renew efforts to obtain definite information regarding welfare and whereabouts of several American citizens of Parral believed to be hiding some distance from that place.	679
	Mr. Polk to Mr. Thurston (telegram).	---do---	Financial affairs. Action reported in 577 approved.	645
	Mr. Blocker to Mr. Lansing (telegram).	Nov. 30	Political affairs. Villa believed to have captured Chihuahua.	616
3833	General Funston to Mr. Baker (telegrams).	Dec. 2	Same subject. Gives details of Villa's attack on Chihuahua.	617
3839	Same to same.	---do---	Same subject. Capture of Chihuahua by Villistas.	618
	Mr. Edwards to Mr. Lansing (telegrams).	---do---	Same subject. Carranza troops under General Murguía reported to have reached outskirts of Chihuahua and to be now fighting to regain the city.	618
	Same to same.	Dec. 5	Same subject. Confirmation of the safety of all foreigners in Chihuahua except Chinese.	619
574	Mr. Lansing to Mr. Parker (telegram).	---do---	Protection of American mining interests. Say to Carranza that when the decree of May 1 is modified so as to put in force the understanding reached by the committee of mine owners with Cabrera as to export taxes that a modification of the pertenencia tax also be incorporated in the same decree.	738
	Mr. Edwards to Mr. Lansing.	Dec. 6	Political affairs. Parral is said to be again in the hands of Carranza troops and that Americans are safe and no property destroyed.	619
	Mr. Blocker to Mr. Lansing (telegram).	---do---	Protection of Americans and American interests. American citizen arriving from Parral gives a report of conditions obtaining there.	679
1097	Same to same.	Dec. 7	Political affairs. Encloses manifesto of General Villa to the people of Mexico.	619
3904	General Funston to Mr. Baker (telegram).	Dec. 8	Same subject. Carranza officer gives further information concerning Villa's attack on Chihuahua.	622
	Mr. Lansing to Mr. Blocker (telegram).	---do---	Protection of Americans and American interests. Continue to seek definite information regarding Americans at Parral, Jimenez and Santa Rosalia.	679
600	Mr. Parker to Mr. Lansing (telegram).	---do---	Protection of American mining interests. First Chief requests that the subject matter of Department's telegram 574 be taken up through the Foreign Office.	740
3910	General Funston to Mr. Baker (telegram).	Dec. 9	Political affairs. Activities of Villa. Recommends a swift blow be dealt Villistas by Pershing's command.	623
	Mr. Blocker to Mr. Lansing (telegram).	---do---	Protection of Americans and American interests. Acknowledges Department's December 8, 5 p. m. Every effort being made to obtain further information regarding Americans at Parral.	680
	Mr. Jusserand to Mr. Lansing.	---do---	Financial affairs. Again calls attention to the situation in which <i>de facto</i> Government has placed the banks and, in particular the National Bank of Mexico. Incloses copy of protest of French Government made to the Minister of Mexico at Paris.	645
582	Mr. Lansing to Mr. Parker (telegram).	Dec. 11	Protection of American mining interests. Your 600, December 8. Make representations through Foreign Office and request matter be brought to attention of Carranza, at earliest possible moment.	740

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No.	From and to whom	Date	Subject	Page
	Mr. Blocker to Mr. Lansing (telegram).	1916 Dec. 14	Protection of Americans and American interests. Statement of Doctor Bernhard concerning conditions existing in Parral.	680
	Mr. Thurston to Mr. Lansing (telegram).	Dec. 16	Financial affairs. Decree concerning banks.	649
	Mr. Blocker to Mr. Lansing (telegram).	Dec. 19	Protection of Americans and American interests. Reports arrival of some Americans from Parral who give further details of conditions there.	680
	Same to same (telegram).	Dec. 20	Political affairs. Consulate is uneasy for safety of Americans and other foreigners at Torreon.	624
	Mr. Lansing to Mr. Thurston (telegrams).	Dec. 22	Protection of Americans and American interests. Request prompt and adequate measures to safeguard American life and property in Torreon district.	681
	Same to same.	---do---	Same subject. Request that prompt and adequate protection be afforded to American life and property in Parral and Magistral districts.	681
	Mr. Hanna to Mr. Lansing (telegram).	---do---	Withdrawal of Americans. Twenty-four Americans and seven British arrived with their families at San Luis Potosi.	708
	Mr. Cobb to Mr. Lansing (telegram).	Dec. 23	Political affairs. Carranza troops reported to have evacuated and Villistas entered Torreon.	624
	Mr. Carothers to Mr. Lansing (telegram).	Dec. 24	Same subject. Capture of Torreon confirmed. Villa said to be maintaining order and affording protection to foreigners.	624
	Mr. Dickinson to Mr. Lansing (telegram).	Dec. 25	Protection of Americans and American interests. Gives names of Americans arriving from Magistral, Durango.	681
	Mr. Garrett to Mr. Lansing (telegram).	Dec. 26	Political affairs. Rebels crossed the Rio Grande below and above Laredo and burned railroad bridge 12 miles south of Nuevo Laredo.	624
	Mr. Canada to Mr. Lansing (telegram).	---do---	Same subject. Carranza troops defeated at Soledad, a town on the Mexican Railroad about 27 miles from Vera Cruz.	625
	Mr. Blocker to Mr. Lansing (telegram).	Dec. 27	Same subject. Torreon garrison falling back along Coahuila and Pacific Railway toward Saltillo. Carranza troops apparently demoralized.	625
642	Mr. Parker to Mr. Lansing.	---do---	Protection of Americans and American interests. Incloses copies of two notes received from the Foreign Office in answer to note sent in pursuance of Department's 650 of November 14.	682
	Mr. Garrett to Mr. Lansing (telegram).	Dec. 28	Political affairs. Villistas rapidly gaining in strength and activity. Expect soon to control northern Mexico.	625
	Mr. Blocker to Mr. Lansing (telegrams).	---do---	Same subject. Fall of Torreon is conceded.	625
622	Mr. Parker to Mr. Lansing (telegram).	---do---	Protection of Americans and American interests. Reply to Department's 548, Nov. 13, 4 p. m. Commandant Sonora instructed that if there is no objection the arms be returned to interested persons.	683
	Mr. Jusserand to Mr. Lansing	---do---	Financial affairs. Sets forth certain transactions and negotiations on the part of the <i>de facto</i> Government which, it is claimed, invalidate the reasons invoked in justification of the decree of Dec. 14.	650
	Mr. Blocker to Mr. Lansing.	Dec. 30	Political affairs. Torreon reported to have been recaptured.	626

MOROCCO

	Mr. Jusserand to Mr. Lansing.	1916 Jan. 16	Issuance of exequaturs to American consular officers in the French and Spanish zones in Morocco. Names officers empowered to issue exequaturs to foreign consuls in the Spanish and French zones and to receive letters of credence of diplomatic agents and consuls general.	808
1640	Mr. Lansing to Mr. Jusserand.	Jan. 18	Abrogation of the capitulations in the French zone in Morocco. The Department can not recognize the legality of the decision of the French authorities in Morocco that merchandise imported into Morocco must be accompanied by a certificate of origin, visaed by a French consular officer.	800
1989	Mr. Sharp to Mr. Lansing.	Feb. 11	French protectorate, etc. Incloses copy of a note from the French Foreign Office, stating that the order issued by the French Resident General in Morocco in regard to the trial of certain cases by the military authorities is of a temporary character while martial law exists in that country.	801
	Mr. Blafio to Mr. Lansing.	Feb. 15	Exequaturs. States that Sultan Muley Yusef has provided Prince Muley el Mehedi with a general power to grant exequaturs to foreign consuls appointed in the Spanish zone.	809

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Mr. Lansing to Mr. Rlaño.	---do---	Same subject. Acknowledges receipt of note of Feb. 15, 1916.	810
Mr. Jusserand to Mr. Lansing.	Apr. 17	French protectorate, etc. The Minister for Foreign Affairs points out that the rules issued by the French Resident General in Morocco concerning the importations of merchandise into that country are intended to prevent Germany from importing into Morocco German goods. He would also appreciate an early settlement of the capitulations questions.	802
Mr. Lansing to Mr. Jusserand.	July 1	Same subject. Submits a list of questions which would have to be considered in connection with the capitulations matter.	803
Mr. Lansing to Mr. Blake (telegram).	July 5	Same subject. Advises him of above note.	805
Mr. Jusserand to Mr. Lansing.	July 31	Same subject. Incloses copy of the declaration signed by other powers in regard to the abrogation of the capitulations.	805
Mr. Polk to Mr. Blake (telegram).	Aug. 3	Same subject. Quotes above declaration and requests views.	806
Mr. Lansing to Mr. Blake.	Aug. 8	Same subject. Incloses copy of Department's note to the French Ambassador of July 1, 1916.	806
Mr. Blake to Mr. Lansing (telegram).	---do---	Same subject. Makes suggestions in regard to the abrogation of the capitulations in the French zone of Morocco.	806
Mr. Jusserand to Mr. Lansing.	Aug. 26	Same subject. The French Government is ready to sign a treaty concerning the abrogation of the capitulations in the French zone of Morocco.	807
Same to same.	Oct. 3	Same subject. Incloses list of notes his Government is ready to sign in connection with a treaty for the abrogation of the capitulations in the French zone of Morocco.	807
Mr. Lansing to Mr. Jusserand.	Oct. 12	Same subject. The views of this Government will be communicated to him as soon as his note of Oct. 3, 1916, concerning the abrogation of the capitulations in the French zone of Morocco, can be considered by the Department.	808

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Mr. Quesado to Mr. Lansing.	1916 Feb. 2	Canal treaty. Asks that steps be taken to prevent the consummation of Inter-oceanic Canal Treaty between the United States and Nicaragua.	811
Mr. Betancourt to Mr. Lansing.	Feb. 6	Same subject. Incloses copy of award made by President of France in the arbitration whose object was to define boundary between Vice Kingdom of New Granada and the Captaincy General of Guatemala.	812
Mr. Quesada to Mr. Lansing.	Feb. 8	Same subject. Incloses copy of protest made by Legation against ratification of the Chamorro-Bryan Treaty.	814
Mr. Zaldivar to Mr. Lansing.	Feb. 9	Same subject. Presents statement from his Government in regard to the treaty between the United States and Nicaragua.	814
Mr. Quesada to Mr. Lansing.	Feb. 21	Same subject. Enters formal protest against ratification of treaty by the Senate.	818
Mr. Lansing to Mr. Chamorro.	Feb. 24	Same subject. Advises him of ratification of treaty by Senate.	819
Mr. Chamorro to Mr. Lansing.	Feb. 28	Same subject. Nicaraguan Government accepts treaty as amended by Senate and will submit it to Nicaraguan Senate for ratification.	819
Mr. Lansing to Mr. Quesada.	Mar. 1	Same subject. Acknowledges receipt of the Legation's various notes and says he fails to perceive wherein the treaty just ratified would adversely affect Costa Rica.	820
Mr. Chamorro to Mr. Lansing.	Mar. 6	Same subject. Requests that American Government give interpretation of treaty as ratified by American Senate.	822
Mr. Lansing to Mr. Chamorro.	Mar. 11	Same subject. American Government interprets treaty as giving the United States an option.	824
Mr. Lansing to Mr. Zaldivar.	Mar. 13	Same subject. States reasons why Salvador should not be disturbed over the canal convention entered into between the United States and Nicaragua.	824
Mr. Long to Mr. Lansing (telegram).	Mar. 26	Same subject. Costa Rica arraigns Nicaragua before the court at Cartago in connection with Nicaraguan treaty.	826
Mr. Oreamuno to Mr. Lansing.	Mar. 27	Same subject. Advises that the Government of Costa Rica has brought suit against the Government of Nicaragua.	826

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		1916		
	Mr. Lansing to Mr. Hale (telegram).	Mar 27	Same subject. Report present status of suit brought against Nicaragua and developments as they occur.	827
	Mr. Zaldívar to Mr. Lansing.	Mar. 28	Same subject. Incloses copy of note from Minister of Foreign Relations in reply to communication from American Chargé informing Salvadorean Government of ratification by American Senate of Canal Treaty.	827
	Mr. Lansing to Mr. Jefferson (telegram)	Mar. 30	Same subject. Reports status of Canal Treaty before the Nicaraguan Congress	831
	Mr. Lansing to Mr. Long (telegram)	---do---	Same subject. Department views attempt of Costa Rica to interfere in freedom of action of Nicaragua as unjustifiable effort to prevent Nicaragua from fulfilling her contractual obligations.	831
	Mr. Jefferson to Mr. Lansing (telegram)	Mar 31	Same subject. Department's Mar. 30, 4 p.m. Text of Canal Convention amendments have been transmitted to President, who recommends its passage.	832
	Same to same (telegrams)---	Apr. 7	Same subject. Nicaraguan Senate passes treaty and transmits it to House	832
	---do-----	Apr. 11	Same subject. Treaty and amendments ratified by Nicaraguan Congress exactly as passed by United States Senate.	832
47	Mr. Lansing to Mr. Betancourt.	---do---	Same subject. Replies to the Minister's Feb. 6 and says that the matter is one for discussion primarily between the Colombian Government and the Nicaraguan Government.	833
	Mr. Spring Rice to Mr. Lansing.	Apr. 12	Same subject. Reference the Ambassador's note of Oct. 28, 1915, states that list of British claims against Nicaraguan Government are in course of preparation and will be communicated as soon as received.	833
	Mr. Chamorro to Mr. Lansing.	Apr. 13	Same subject. Reports final approval of treaty by Nicaraguan Congress	834
	Mr. Lansing to Mr. Jefferson (telegram).	Apr. 14	Same subject. Department gratified to learn of ratification of treaty.	831
21	Mr. Lansing to Mr. Chamorro.	Apr. 17	Same subject. Acknowledges the Minister's Apr. 13 and says he will be happy to fix date for effecting exchange of instruments of ratification as soon as convenient to the former.	831
89	Mr. Lansing to Mr. Thomson.	Apr. 18	Same subject. Incloses for files of mission copies of correspondence between Minister of Colombia and the Department in regard to treaty.	835
	Mr. Jefferson to Mr. Lansing (telegram).	May 4	Same subject. Salvador and Costa Rica continue strong protest.	835
1160	Mr. Lansing to Mr. Spring Rice.	May 5	Same subject. Acknowledges the Ambassador's Apr. 12 and says that Department awaits list of claims mentioned which will have due consideration.	836
	Mr. Spring Rice to Mr. Lansing	May 21	Same subject. In view of the new contracts entered into between Nicaragua and the United States wishes to be reassured of the status that British claims referred to before will have.	836
10	Mr. Polk to Mr. Quesada---	May 22	Same subject. Legation's Mar. 27 in which is announced suit brought against Nicaragua by Costa Rica; Department regards action as attempt to prevent Nicaragua's fulfillment of contractual obligations.	837
	Mr. Quesada to Mr. Lansing.	May 23	Same subject. Acknowledges Department's Mar. 1 and has further reference in detail to the action of Costa Rica in the matter of the Canal Treaty.	838
	Mr. Zavela to Mr. Lansing.	June 13	Same subject. Advises of receipt of instrument of ratification and requests that the Secretary designate time for exchange.	840
286	Mr. Jefferson to Mr. Lansing.	June 17	Same subject. Incloses certain correspondence between Nicaragua and Costa Rica relative to claims of each country in connection with Canal Treaty.	840
	Mr. Quesada to Mr. Lansing.	June 20	Same subject. Reference Department's No. 10, May 22, gives further argument for the right of Costa Rica to have brought suit against Nicaragua.	840
	Mr. Lansing to Mr. Zavela.	June 21	Same subject. Reference Legation's June 13 in regard to exchange of ratifications states he will receive him on 22d instant for purpose of consummating this formality.	819
	Mr. Lansing to Mr. Jefferson (telegram).	June 22	Same subject. Ratifications exchanged-----	840
	-----	June 24	Same subject. Nicaraguan canal route. Convention between the United States and Nicaragua. Text.	840
	Mr. Cuadra Z. to Mr. Lansing.	July 17	Financial affairs. Gives reasons why certain claims should receive preferential treatment out of the proceeds of the Canal Convention.	806

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No.	From and to whom	Date	Subject	Page
	Brown Bros. & Co. and Seligman & Co. to Mr. Lansing.	1916 July 17	Same subject. Offer to approach the foreign bondholders with view to obtain extension of time of payment of certain debts. Before proceeding, wishes a confirmation of understanding as to payments to be made out of the money to be received by Nicaragua under the treaty.	902
	Mr. Lansing to Mr. Jefferson (telegram).	Aug. 10	Same subject. Department considers as premature any consideration of disposition of treaty funds prior to exchange of ratifications. Asks opinion whether the retention of customs revenues seriously embarrasses Government and strengthens the opposition.	906
	Mr. Jefferson to Mr. Lansing (telegram).	Aug. 13	Same subject. Thinks mixed claims awards should be paid first and then <i>pro rata</i> payment and arrange with bankers for balance due. Customs revenues and other expenditures of money should be temporarily withheld.	907
	Mr. Lansing to Mr. Cuadra	Aug. 31	Same subject. States that this Government cannot take cognizance at this time of contracts whereby Nicaragua guarantees certain payments in disregard of Article III of the Treaty.	907
	Mr. Lansing to Mr. Jefferson (telegram).	Sept. 1	Same subject. Instructs to transmit to the Nicaraguan Government a note in the sense of the letter to Mr. Cuadra of Aug. 31, 1916.	908
	Mr. Lansing to Mr. Long (telegram).	---do---	Canal Treaty. Press reports several occasions that Salvador has presented its case to the Central American Court.	852
	Mr. Long to Mr. Lansing (telegram)	Sept. 3	Same subject. Department's Sept. 1. Salvador has presented its case against Nicaragua to the Central American Court of Justice, no new developments.	852
	Same to same-----	Sept. 23	Same subject. Incloses <i>Diario Oficial</i> containing demand of the Salvadorean Government against Nicaragua with regard to treaty.	853
102	Mr. Hale to Mr. Lansing--	Oct. 10	Same subject. Incloses decision of Central American Court of Justice in regard to demand filed by the Government of Costa Rica.	862
	Mr. Polk to Mr. Jefferson (telegram).	Oct. 20	Financial affairs. Asks for views as to whether Ethelburga interest should be paid out of canal fund.	910
313	Mr. Jefferson to Mr. Lansing.	Oct. 26	Same subject. Incloses reply of the Foreign Office to his note of Sept. 5, wherein was quoted the full text of Department's telegram of Sept. 1.	910
	Mr. Quesada to Mr. Lansing.	Oct. 30	Canal Treaty. Advises him of the judgment of the Court; Nicaragua will not accept nor abide by it.	886
319	Mr. Jefferson to Mr. Lansing.	Nov. 8	Same subject. Incloses telegrams exchanged between the Central American Court and the Nicaraguan Minister for Foreign Affairs relative to refusal of Nicaragua to abide by decision of Court.	887
	The Central American Court of Justice to the Governments of Costa Rica, El Salvador, Honduras and Guatemala.	Nov. 9	Same subject. Comments fully upon the decision of the Court and the failure of Nicaraguan Government to abide by it.	893
	Mr. Lansing to Mr. Cuadra	Nov. 11	Financial affairs. Department can take no cognizance of the contracts transmitted with your letter of Oct. 30.	912
	Mr. Lansing to Mr. Jefferson.	Nov. 13	Same subject. Asks that the attention of the Nicaraguan Government be called to the fact that no explanation has been given of its action as regards certain contracts.	912
	Mr. Jefferson to Mr. Lansing (telegram).	Nov. 21	Same subject. Foreign Office has replied to his supplementary note regarding contracts signed by Mr. Cuadra. President Diaz requests that Department be again informed of his needs to meet Government expenses until Jan. 1.	913
321	Same to same-----	Nov. 22	Same subject. Incloses a copy of his supplementary note to the Foreign Office and a copy and translation of the reply thereto.	913
124	Mr. Long to Mr. Lansing--	Dec. 2	Canal Treaty. Incloses copies of protest which Honduras forwarded to Salvador Sept. 30, and of the Salvadorean reply dated Oct. 7, 1916.	890
	Mr. Lansing to Mr. Jefferson (telegram).	Dec. 12	Financial affairs. Asks how much is needed by President Diaz to meet expenses until January 1. Also requests opinion as to lowest estimate of all external and internal Nicaraguan debt.	915
	Mr. Jefferson to Mr. Lansing (telegram).	Dec. 14	Same subject. In answer to Department's Dec. 12, President Diaz would prefer to let the matter stand until General Chamorro becomes President. Estimates of internal and external debt of Nicaragua.	915

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No.	From and to whom	Date	Subject	Page
	Mr. Lansing to Mr. Jefferson (telegram).	1916 Dec. 22	Same subject. Gives result of conference between representatives of the Department and of bankers of Nicaragua; \$300,000 will be advanced for running expenses if deemed necessary. Highly essential that fiscal agent be appointed and a commission created to study conditions of indebtedness.	916
	Mr. Jefferson to Mr. Lansing (telegram).	Dec. 31	Same subject. General Chamorro will furnish memoranda of amount needed for running expenses. Sets forth certain propositions made by General Chamorro, Mr. Benard and President Diaz relative to financial situation.	917

PANAMA

773	Mr. Spencer to Mr. Lansing	1916 Jan. 14	Disarmament of Panama police Transmits a letter from Governor Goethals referring to the presence at a fire two days ago in the city of Panama of several Panaman policemen patrolling with rifles with bayonets attached.	938
777	Same to same	Jan. 22	Same subject. Incloses a copy of a letter from Governor Goethals in which he states that in response to a recent fire alarm, members of the Panama police force appeared on the scene with high-powered rifles.	939
235	Mr. Morales to Mr. Lansing.	Feb. 28	Status of the Panama Railway Co Submits a long argument concerning the legal existence of and the rights and privileges claimed by that company. His Government desires that all these questions be settled by diplomacy or arbitration.	943
848	Mr. Price to Mr. Lansing..	Mar. 14	Riot at Colon, 1915. Reports further on dilatory tactics by Panama and incloses correspondence with the Foreign Office.	924
866	Same to same	Mar. 22	Same subject. Incloses further correspondence with the Minister for Foreign Affairs	927
238	Mr. Lansing to Mr. Price..	Apr. 1	Same subject. Instructs to inform the Minister for Foreign Affairs that this Government is not satisfied with the manner in which the Government of Panama has dealt with this matter.	929
888	Mr. Price to Mr. Lansing..	Apr. 6	Same subject. Reports further progress in the investigation.	930
240	Mr. Lansing to Mr. Price..	Apr. 12	Same subject. Approves his action reported in his No. 866.	930
242	Same to same	Apr. 15	Disarmament of police. Instructs to present formal demand for immediate disarmament of the police in the cities of Panama and Colon of high-powered rifles and suggesting storage of the arms in the Canal Zone.	940
901	Mr. Price to Mr. Lansing..	Apr. 20	Colon riot, 1915. Incloses copy of a letter from the military commander of the Canal Zone commenting on the dilatory tactics of Panama.	930
907	Same to same	Apr. 24	Same subject. Incloses copy of the report of the Canal Zone military authorities upon the attempted identification of the Panaman policemen who were involved in the riot.	931
	Mr. Baker to Mr. Lansing.	Apr. 29	Status of the Panama Railway Co. Incloses copy of a letter from the Governor of the Canal Zone, transmitting a report from Special Attorney Feuille, which concludes that the claims of the Minister of Panama are groundless and that there is nothing open to arbitration.	949
922	Mr. Price to Mr. Lansing..	May 6	Colon riot, 1915. Incloses copy of a note to the Minister for Foreign Affairs requesting information as to the steps if any have been or are contemplated being taken by the Panaman Government.	934
926	Same to same	May 8	Same subject. Incloses copy of a note from the Minister for Foreign Affairs concerning the action taken by him to expedite the investigation.	935
931	do	May 12	Disarmament of police. Transmits a copy of the note sent to the Foreign Office in compliance with instruction No. 242 of Apr. 15, 1915.	940
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	Same to same	Feb. 15	Same subject. Requests the names of the said seamen. Inquires whether a general permit from the Navy Department will suffice for the removal.	957
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4	Same to same	Mar. 10	Same subject. The Government of the United States will feel honored if the Spanish Government will permit it to undertake all the work of disinterment and removal of the remains of the seamen and their delivery to the officer commanding the transport.	958
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1762	Same to same (telegram) ---	Apr 24	Same subject. Instructions have been sent to provincial authorities directing them to avoid all friction with Americans. All matters of dispute are to be referred to Constantinople for settlement. Consuls have been similarly instructed, with orders to refer matters of dispute to the Embassy.	964
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CORRESPONDENCE

CIRCULARS

SERVICES FOR THE REPUBLIC OF PANAMA

File No. 704.1900

No. 442. GENERAL INSTRUCTION. CONSULAR.

DEPARTMENT OF STATE,
Washington, January 21, 1916.

To the American Consular Officers (Including Consular Agents)

GENTLEMEN: Having reference to previous instructions relative to the interests of the Republic of Panama, you are instructed to continue to use your good offices in representation of these interests and of the citizens of Panama in the country to which you are accredited, provided that the Government of Panama has not appointed consular officers in that country. In connection with the discharge of the duties of consular officers in behalf of the Panaman Government, your attention is directed to paragraphs 174 and 453 of the Consular Regulations of 1896.

Your signature in your official capacity on all papers executed for Panama should be followed by the words: In charge of the interests of Panama. (Circular of January 12, 1904.)

CERTIFICATION OF DOCUMENTS

Duplicates of all invoices certified in behalf of the Panaman Government should be sent direct to the Minister of Hacienda, Panama, and duplicates of manifests should be forwarded to the inspector of the Panaman port of destination of the vessel. (Circular of April 23, 1904.)

Invoices, manifests, and other documents for vessels or cargoes belonging to or for the use of the Isthmian Canal Commission (as specified in section 1 of the Executive Order of December 3, 1904), cleared or consigned for or from the ports of Ancon or Cristobal, are to be certified by officials of the United States; but such documents as do not appertain to such specially designated goods, wares, and merchandise are, by virtue of section 1 of the Executive Order of December 6, 1904, to be certified by officials of the Republic of Panama or persons authorized to act for them. (Circular of April 5, 1909)

Masters of vessels clearing for Canal Zone ports carrying cargo subject to the payment of duty to Panama are required to carry an extra copy of their manifests for the customs authorities of Panama. (Circular of July 20, 1909.)

FEEES FOR SERVICES PERFORMED

Previous instructions (circular of December 12, 1904) authorized the retention as personal compensation of one-half the gross amount of fees, not in excess of fifty (50) pesos a month, collected for such consular services as may be performed, the remaining amount being required to be remitted to the Government of Panama.

You are now informed that, in accordance with the regulations of the Government of Panama for its consular service, honorary consular officers, who are named by the executive power to places where there is no established salaried consular officer, may retain each month as a remuneration of service and to defray the office expenses fifty per cent of the fees they collect up to one hundred (100) balboas (\$100 United States gold) per month.

When the monthly fees exceed two hundred (200) balboas, all monies received over the sum of one hundred (100) balboas, which is to be retained, must be remitted to the Panamanian Government.

You are authorized, therefore, in accordance with the laws of the Government of Panama, to retain one-half of the gross amount of fees collected for services performed by you for that Government, not in excess of one hundred balboas (\$100 United States gold) per month.

The fees so retained should be turned into the Treasury of the United States under the instructions relating thereto in Circular No. 330, of July 10, 1914.

Your offices have been furnished with copies of the tariff of consular fees prescribed by the Government of Panama, as indicated in the circular of April 28, 1905. The tariff is also contained in the Digest of Circular Instructions of 1908.

PUBLIC HEALTH SERVICE

Officers of the Public Health and Marine Hospital Service of the United States detailed for duty at foreign ports are under instructions to act in regard to vessels sailing for ports of Panama as they do in regard to vessels sailing for United States ports. Consuls at ports at which medical officers are stationed will co-operate with them in carrying out these instructions. (Circular of April 23, 1904.)

The following circulars, the substance of which has been incorporated in the instructions herein contained, are therefore revoked: January 12, 1904; April 23, 1904; December 12, 1904; April 5, 1909; July 20, 1909.

Reference is made to circulars of July 20, 1904, and March 16, 1905, enclosing orders from the War Department, and of April 28, 1905, enclosing the Panama Tariff of Consular Fees.

I am [etc.]

For the Secretary of State:

WILBUR J. CARR

ATTITUDE OF THE UNITED STATES TOWARDS LATIN AMERICA

File No. 710.11/230a

*The Secretary of State to certain American Missions*¹

[Circular telegram.]

DEPARTMENT OF STATE,
Washington, January 24, 1916.

It is proposed to embody, in a general convention to be subscribed to by all the American Republics, the following provision, in four articles, in which the several Republics agree:

I. To guarantee their territorial integrity and political independence.

II. To settle all boundary disputes by amicable arrangement or by arbitration.

III. To submit all differences between any two of them, excepting those affecting honor, independence and interests of third parties, to a permanent international commission, which will render a decision within one year, and if decision be unsatisfactory to submit such differences to arbitration.

IV. To prohibit the departure of military forces, arms or ammunition from their territory to revolutionists in other Republics.

This matter was referred to by President Wilson in his speech to the Second Pan American Scientific Congress on January 6² and has already been accepted in principle by a majority of the Republics represented at that conference.

Should the Chief Executive or the Minister for Foreign Affairs of the country to which you are accredited broach this subject to you, you may informally express the interest taken in this proposal by the President of the United States and the hope of this Government that a treaty to this end may be signed by all the American Republics.

LANSING

File No. 710.11/230a

*The Secretary of State to certain American Missions*³

[Circular telegram.]

DEPARTMENT OF STATE,
Washington, March 27, 1916.

On January 24 certain American Diplomatic Missions were informed by telegraph that it is proposed to embody, in a general convention to be subscribed to by all the American Republics, the following provision, in four articles, in which the several Republics mutually agree.

I. To guarantee their territorial integrity and political independence.

¹ To the American Missions in Argentina, Brazil, Bolivia, Costa Rica, Cuba, Ecuador, Guatemala, Honduras, Panama, Paraguay, Peru, Salvador, Uruguay, Venezuela.
² Printed in the *Daily Bulletin*, Second Pan American Scientific Congress of January 7, 1916, Department of State Library JX 1424 C 7 Sc 26, 1915/16.

³ To the American Missions in Colombia, Dominican Republic, Haiti and Nicaragua.

II. To settle all boundary disputes by amicable arrangement or by arbitration.

III. To submit all differences between any two of them, excepting those affecting honor, independence and interests of third parties, to a permanent international commission, which will render a decision within one year, and if decision be unsatisfactory to submit such differences to arbitration.

IV. To prohibit the departure of military forces, arms, or ammunition from their territory to revolutionists in other Republics.

This matter was referred to by President Wilson in his speech to the Second Pan American Scientific Congress on January 6 and has already been accepted in principle by a majority of the Republics represented at that Conference.

You may, opportunely and in your discretion, informally express the interest taken in this proposal by the President of the United States and the hope of this Government that a treaty to this end may be signed by all the American Republics.

LANSING

File No. 710.11/266a

*The Secretary of State to the Colombian Minister*⁴

DEPARTMENT OF STATE,
Washington, April 1, 1916.

SIR: You are doubtless aware, from the statement of the President of the United States in his address to the Second Pan American Scientific Congress, on January 6, 1916, that this Government indulges in the hope that there may be embodied in a general convention to be subscribed to by all American Republics, a provision in which the signatory Governments will mutually agree as follows:—

1. That their political independence and territorial integrity be guaranteed.

2. That all disputes regarding boundary questions be settled by amicable arrangement, or by arbitration.

3. That all differences between any two of them, with the exception of questions affecting the honor, independence and interests of third parties, be submitted to a permanent international commission, whose decisions thereon will be rendered within one year; and that such differences be submitted to arbitration, if the decision prove unsatisfactory.

4. That the departure of arms, ammunition or military forces from their territory to revolutionists in other Republics be prohibited.

In order that your Government may be apprised of the proposal which it is believed is acceptable in principle to a majority of the Republics represented at the Second Pan American Scientific Congress, the American Legation at Bogotá has been recently informed of the matter which I have the honor herein to bring to your attention.

Accept [etc.]

ROBERT LANSING

⁴ The same, *mutatis mutandis*, to the Ministers of the Dominican Republic, Haiti, and Nicaragua.

APPLICATION OF SECTION 11 OF THE SEAMEN'S ACT OF MARCH 4, 1915, TO FOREIGN VESSELS

File No. 196.6/86

DEPARTMENT OF STATE,
Washington, March 9, 1916.

To the Diplomatic Officers of the United States in certain countries

GENTLEMEN: At the request of the Acting Secretary of Commerce, the Department quotes for your information and for communication to the Governments to which you are respectively accredited, a circular letter addressed by the Commissioner of Navigation to Collectors of Customs, Shipping Commissioners and others concerned, as follows:

Section 11 (allotments and advances of seamen's wages) of the Seamen's Act of March 4, 1915, will apply to seamen engaged in the United States for vessels of every foreign nation on and after March 4, 1916.

Paragraph 6, Department Circular No. 259 of August 10, 1915, is amended accordingly.

Please so advise all consuls in your district.

A print of the Act of Congress approved March 4, 1915, known as the Seamen's Act, is inclosed herewith for your further information.

I am [etc.]

For the Secretary of State:
FRANK L. POLK

RADIO COMMUNICATION IN THE AMERICAN HEMISPHERE

File No. 810.74/58b

The Acting Secretary of State to Ambassador Stimson⁵

DEPARTMENT OF STATE,
Washington, March 15, 1916.

SIR: Referring to the Department's circular instruction of October 13, 1915,⁶ regarding radio communication in the American Hemisphere, and in accordance with an informal understanding reached in the conference of representatives of the American Republics held at the Department of State on January 7, 1916,⁷ there is herewith enclosed, in triplicate, a compilation of the recommendations of the Departments of State and the Navy on this subject, which is being also communicated to the representatives of the American Republics at this capital.

In transmitting to the Foreign Office one copy of the enclosed memorandum, you will request the Government to which you are accredited to inform its diplomatic representative in Washington, to whom a copy of the circular has also been sent, of its opinions and suggestions, in order that the next conference referred to in the memorandum, which will comprise the respective diplomatic representatives, may be in possession of the opinions of all the interested Governments.

⁵ *Mutatis mutandis* to the American diplomatic representatives in Latin American countries, except Mexico and Panama.

⁶ For. Rel. 1915, p. 24.

⁷ See International Conferences and Congresses, p. 976.

To such report, which should be in triplicate, as you may make regarding the attitude of the Government in this connection, you will add in full such recommendations and suggestions as you may deem properly supplemental to your previous reports.

I am [etc.]

For the Acting Secretary of State:

JOHN E. OSBORNE

[Inclosure—Memorandum]

Pursuant to an informal understanding reached in the conference of representatives of the American Republics on the subject of radio communication between the countries of the Western Hemisphere, held at the Department of State, Washington, on January 7, 1916,¹ recommendations and observations have been submitted by the Navy Department for the consideration of the interested Governments. As indicated by the Counselor of the Department of State in opening the conference, the object of the Government of the United States in calling this informal meeting was:

1. The interest that it has taken in the development of this science.
2. The knowledge that it has obtained from various sources that radio stations erected by European capital, or operated and controlled by European countries, have been installed in certain countries in Central and South America, as well as in the United States.
3. Its conviction that such a situation is replete with possible complications by reason of the fact that unwarranted use of such stations by belligerents in time of war might seriously jeopardize the neutrality of the countries in which the stations are operated.
4. Its belief that the ownership and control of this vitally important means of communication between the American continents should rest in sympathetic hands and should not pass beyond this hemisphere and fall under non-American jurisdiction.

The recommendations of the Navy Department are submitted with a view to outline a plan by which methods of radio organization, control, operation, and administration in the American Republics may be made uniform and coordinated.

- (1) For the economic and military requirements of each individual State;
- (2) For the economic and military requirements of the American nations acting in concert.

1. Government ownership and control of radio stations.—The economic development and prosperity of a country in times of peace may perhaps best be promoted by a system of communication and intercourse both at home and abroad which is reasonable in cost and rapid in operation. It is believed that these advantages may be most surely secured under Government ownership or control. One of the most serious menaces to a country's safety in time of hostilities is that of having its communications under any other management than that of the national Government, and especially is this the case at the outbreak of hostilities, when the necessity for rapid and reliable telegraphic communication is paramount.

In advocating government ownership and control of all radio stations, it is desired to point out that the extended experience of the Navy Department in the management of both commercial and military radio organization and the more recent experience gained through controlling and directing the censorship of radio communication in this country during the European War, has shown most emphatically the need that radio stations be owned, operated, and administered by the Governments themselves, rather than that such ownership, operation, and control be vested in commercial corporations. The difficulties attending non-Government ownership have been brought to the attention of the Navy Department recently and with such force as to compel it to present to the Governments interested the grave importance of having all radio stations under strict national ownership, administration, and operation and prompts it to urge upon the other Governments the consideration thereof before any extensive private system of stations is established within their territorial jurisdiction.

No communication system, however efficient it may be individually, is capable of rendering completely satisfactory service if suddenly required to change from

¹ See International Conferences and Congresses, p. 976.

control by one management to that of another. Such change of control is accompanied necessarily by the loss of efficiency attendant on all administrative changes, and consequently there can be but one satisfactory solution to the problem, which is that the Governments shall administer, operate, and control the system at all times. There is then no change necessary in time of national danger, attended as it would inevitably be with loss of efficiency.

While, for reasons adduced above, it is believed that governmental ownership and operation of radio stations is preferable, these recommendations should not be construed as militating against the granting of concessions to reputable American concerns for the erection and operation thereof, provided all such concessions contain the specific provision that in case of national or Pan American international exigency their operation and control shall, upon demand and during such time of governmental necessity, pass to the Government in whose territory the station is located.

2 *Uniform organization and facilities for communication.*—If some organization can be formulated and effected by the nations of North, Central, and South America, having for its objective the provision of uniform means of rapid communication for military, naval, and commercial needs, not only in each individual country, but also between all such countries, the resultant advantages of having ready at all times, with special reference to time of national danger, such organized facilities for the rapid transmission of information can not be overestimated.

No doubt each country has an organization for its radio service which is adapted to the peculiar needs of the country so far as relates to its military and naval establishments and while there are undoubtedly many regulations necessary to the individual nation, it is believed that the main features of all such organizations are similar, since the problems to be solved in any military organization are naturally very much alike.

3. *Coordination of means of communication.*—Each nation will wish to preserve its entire independent jurisdiction in all matters concerning its own radio system, but in any understanding in which all American nations might wish to act in concert there is no one consideration more vital to its success than that of having a common understanding as to the most rapid and effective way by which information may be transmitted in the shortest time. The communications of each country may by themselves be organized efficiently, but unless there is some plan understood and adhered to by all, there will be lacking that coordination so necessary to successful accomplishment of the common objective. An interlocking system could be established which, through use during times of peace for the exchange of official and commercial radiograms, would insure smooth operation in time of national peril.

4. *Advisability of mutual understanding and cooperation.*—The basic principles governing this essential military and economic cooperation are as follows:

(a) Efficient radio communication for military and other Government purposes is a necessity;

(b) Efficient radio communication requires effective control; effective control of radio requires a monopoly; and the Government should exercise such control;

(c) Military necessity demands not only efficient and rapid communication, including effective control, but protection of the radio establishments from destruction;

(d) During periods of strained relations, as well as during war, direct Government control and operation would be the only safe and effective control and operation—the personnel to be composed exclusively of citizens of the country operating the stations, or of other countries in the Pan-American Union;

(e) Concessions to one private company would be followed by demands from other private companies for similar concessions, on the basis of equity, and a multiplicity of stations thus develop, which, if not carefully guarded against, would result in serious confusion from interference;

(f) National economy, as well as national security, would be promoted if the national Governments own, administer, and operate radio stations for both commercial and military communication;

(g) Inter-American Government and private communication will be greatly expedited, resulting in improved official, economic, and social understanding among the several nations and the safety and security of the American nations;

(h) The discussion, formulation, promulgation, and execution of plans for the mutual defense of those nations could thus be carried out effectively.

5. *Development of a suitable organization.*—The development of an organization for Pan American radio communication based on the above considerations can, in the opinion of the Navy Department, be carried out through the agency of an inter-American committee composed of specially qualified representatives from each country. This committee should be charged with the duty of preparing the regulations necessary to combine the radio services of all American Republics into one homogeneous system for the transaction of Government and private (or commercial) business, to arrange traffic regulations, to designate regular and alternate routes of transmission, to assign wave lengths to the various stations with a view to eliminating interference, to establish rates for the service rendered, and in general to standardize and systematize the administration, operation, matériel, and personnel features of radio communication in the entire Western Hemisphere.

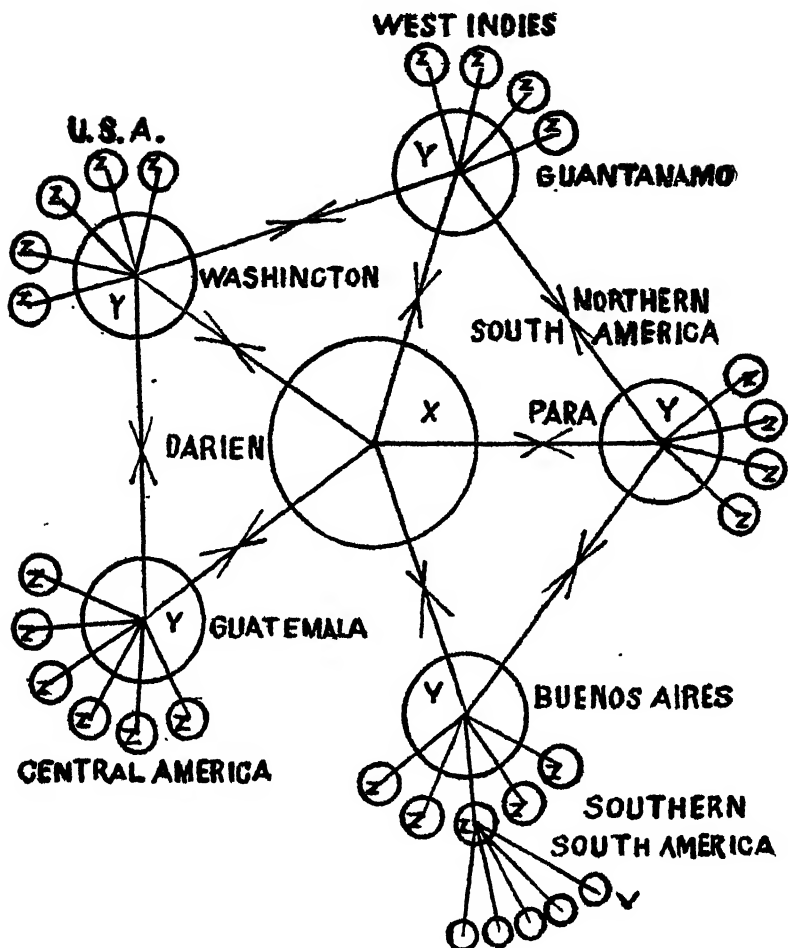
6. *Proposed plan and information for delegates to conference.*—The plan suggested below is dependent for its establishment and operation on the preconcerted understanding that all of the Republics in this hemisphere are agreed as to its necessity, and, concurrently, that the radio service of each country shall be administered and operated by direct governmental authority and personnel. It is therefore recommended that each of the American Republics designate one or more representatives to confer at the earliest practicable date in Washington with other representatives similarly designated, with a view to effecting an organization and understanding in regard to radio communication in this hemisphere.

In order that the delegates may be informed of the general nature of the operation of the system that the Navy Department has in mind, the following is submitted as embodying the essential features thereof.

It is proposed to divide the territory embraced in the American Republics into zones of radio communication, with one control radio station for each zone, which latter will receive and relay radiograms to destination as may be necessary and in accordance with specific regulations drawn up by the committee. There will be one main station for the entire hemisphere, located in as nearly a central position, geographically, with reference to all the American Republics, as may be practicable. Such main station shall be capable of direct communication with central stations in each of five proposed zones, covering the territory of the interested Governments. The main station might well be that already established in the Panama Canal Zone. The zone central stations should be at the following places, tentatively: Buenos Aires, Para, Guatemala, Guantanamo, Washington. Each of these zone center stations would serve as receiving and distributing stations for the stations in their respective zones, and would be capable of direct communication with the main station. In each country, preferably at the capital, there would be a central controlling and distributing station, which would be capable of direct communication with the appropriate zone center station. This same system of zones and distributing stations would be used in each country, so that uniformity would be observed in the operation and traffic features throughout the hemisphere.

It may be said that an organization similar to that proposed has been tried out in this country with highly satisfactory results.

The following diagram represents graphically the ideas advanced:



X Main Station (1).

Y Zone Center Stations (5).

Z Government Center Stations (distributing stations).

V Local stations necessary for each country.

In order to render the proposed plan of operation adaptable to increasing needs (especially commercial), regulations to govern the operation of special long distance transmission between stations used primarily for commercial messages might be drawn up which would include provisions:

- (1) For the independent operation of such commercial stations;
- (2) For their amalgamation with the main system at such time as the interested Governments may designate;
- (3) For acceptance of official messages of the various Governments at all times at reduced rates, such official messages to have precedence over commercial messages;
- (4) For the employment exclusively of operators who are citizens of the American Republics.

7. *Information desired to perfect plan.*—In order to develop a completed plan for submission to the suggested conference, the following information concerning the equipment of the radio stations now in operation in the respective countries is desired:

Normal reliable daylight range expressed in miles or kilometers.

Power of station, input in watts.

Character of transmitter, viz., undamped or damped waves.
Normal radiated current, amperes in antenna.
Height of antenna.
General character of antenna.
Most efficient wave length for transmission.
Range of wave lengths it is possible to obtain.

DEPARTMENT OF STATE,
Washington, March 11, 1916.

PROPOSED RETURN TO THE UNITED STATES OF NATURALIZED
CITIZENS AGAINST WHOM THE PRESUMPTION OF EXPATRIA-
TION HAS ARISEN

*Abrogation of Rule (d) of the Circular Instruction of Novem-
ber 18, 1911*

File No. 136.2/66a

DEPARTMENT OF STATE,
Washington, June 1, 1916.

*To the American Diplomatic and Consular Officers (Including
Consular Agents)*

GENTLEMEN: In a circular instruction, number 77, of November 18, 1911,⁹ the Department authorized the issuance of emergency passports to naturalized American citizens who had brought upon themselves the presumption of expatriation under the provision of section 2 of the act of March 2, 1907, by a protracted residence abroad, and were not able to overcome such presumption under the established rules, upon such persons showing that they had "made definite arrangements to return immediately to the United States for permanent residence." The Department held that the making of such arrangements was in itself sufficient to overcome the presumption of expatriation, and prescribed rule (d) to that effect. In recent years, and particularly since the outbreak of the present war, diplomatic and consular officers having authority to issue emergency passports have been called upon in numerous cases to issue such passports to naturalized citizens who had been residing abroad for many years, some of them for periods of twenty years or more. In many of these cases the facts and circumstances indicated that the persons concerned had established their permanent residence abroad, usually in their native lands, and would not have decided to come to the United States but for difficulties experienced abroad, particularly those arising out of the war. It appears that the real motive for returning to the United States was in some of these cases a desire to avoid payment of war taxes and, in others, a desire to evade performance of military service on the part of the applicants themselves, or to safeguard the interests of their sons. In many of these cases the persons concerned had not obtained American passports or registered in American consulates, or otherwise held themselves out as American citizens for many years past, and all attendant facts indicated complete abandonment of the United States.

The Department is of the opinion that it was to meet such cases as those mentioned above that the provisions contained in the second paragraph of section 2 of the Expatriation Act of March 2, 1907,

⁹ For. Rel. 1911, p. 1.

were adopted, and the Department has reached the conclusion that American passports should not be granted for the purpose of enabling persons of the class in question to return to the United States. Consequently, the Department hereby abrogates rule (d) prescribed in the circular instruction of November 18, 1911, whereunder the presumption of expatriation could formerly be overcome.

It is believed that all meritorious cases of naturalized citizens who have brought upon themselves the statutory presumption of expatriation, and have not been residing abroad for health, or education, or church missionary work, or promotion of American trade and commerce, will fall within the purview of rule (c) of the circular instruction of April 19, 1907, entitled "Expatriation," under which a person against whom the presumption has arisen may overcome it by showing "that some unforeseen and controlling exigency beyond his power to foresee has prevented his carrying out a bona fide intention to return to the United States within the time limited by law, and that it is his intention to return and reside in the United States immediately upon the removal of the preventing cause."

With relation to rule (c), it may be well to observe that it is not applicable to cases of persons who have been engaged abroad in local business of some kind and have failed, through the ordinary vicissitudes of business rather than some special misfortune, to accumulate means sufficient to enable them to return to the United States.

I am [etc.]

FRANK L. POLK,
Acting Secretary

AMENDMENT TO RULES GOVERNING THE ADMISSION OF CHINESE

File No. 151.01/43

DEPARTMENT OF STATE,
Washington, June 6, 1916.

To the American Diplomatic and Consular Officers. (Including Consular Agents)

GENTLEMEN: The Department is in receipt of a letter dated May 19, 1916, from the Acting Secretary of Labor enclosing a copy of a circular letter to commissioners of immigration and inspectors in charge of districts promulgating a recent amendment to rule 9 of the "Rules Governing the Admission of Chinese."

The amendment in question, which makes a material change in the holding of the Department of Labor regarding the admissibility of the sons born abroad of Chinese citizens of the United States, provides as follows:

Rule 9 of the Chinese Rules, approved October 15, 1915, is hereby amended by striking therefrom paragraphs (f) and (g), by changing the letter designation of the last paragraph thereof from (h) to (g), and by inserting a new paragraph designated (f), reading as follows: "(f) The lawful wife of an American citizen of the Chinese race may be admitted for the purpose of joining her husband, and the lawful children of such a citizen partake of his citizenship and are therefore entitled to admission. In every such case convincing evidence of citizenship and relationship shall be exacted."

I am [etc.]

For the Acting Secretary of State:
JOHN E. OSBORNE

GIFTS INTENDED FOR THE PRESIDENT

File No. 093./13a

DEPARTMENT OF STATE,
Washington, June 27, 1916.*To the Diplomatic and Consular Officers of the United States*

GENTLEMEN: There is printed on the overleaf, for the information and guidance of the diplomatic and consular officers of the United States, the text of an executive order, dated June 23, 1916, directing them to refuse to accept, for transmission, gifts which citizens or subjects of foreign countries may desire to present to the President, and requiring that the tender of such gifts be made through the respective diplomatic agents at Washington.

I am [etc.]

ROBERT LANSING

Executive Order

It not infrequently happens that diplomatic and consular officers of the United States are requested to be the medium of transmission of literary, scientific or artistic works, or other gifts, which citizens or subjects of foreign countries desire to present to the President.

In order that the practice in this regard may accord with that generally observed in the matter of similar presentations to the heads of other governments, it is hereby ordered that diplomatic and consular officers of the United States will hereafter, whenever request is made of them by a citizen or subject of a foreign country to transmit a gift of any character to the President, refuse to accept such gift and will advise the donor that it is required that the presentation be made through the diplomatic representative of the donor's government at Washington.

WOODBOW WILSON

THE WHITE HOUSE, 23 June, 1916.

[No. 2406]

LEGISLATION ON NEGOTIABLE INSTRUMENTS AND COMMERCIAL PAPER

File No. 810.51/678

DEPARTMENT OF STATE,
Washington, June 29, 1916.*To the Diplomatic Officers of the United States in Latin American Countries*

GENTLEMEN: In order to make the direction of its work as effective as possible, the International High Commission which met at Buenos Aires in April last adopted a resolution providing for a Central Executive Council "whose duty it shall be to centralize and coordinate the labors of the Commission, to keep the several sections in constant touch with one another, and to carry out the conclusions of the International High Commission and the Pan American Financial Conferences, and to prepare the program, reports, and all other material necessary for the holding of the second meeting of the International High Commission." The executive officers of the United States section of the High Commission have become President, Vice President and Secretary General of this Council.

As one of the first steps in carrying into effect the important and constructive recommendations of the International High Commis-

sion at its Buenos Aires meeting, the office of the Central Executive Council desires to obtain the most accurate and recent information with reference to the status of national legislation on negotiable instruments and commercial paper. To this end the Central Executive Council, through the Secretary of the Treasury, has requested the Secretary of State to instruct the Diplomatic Officers of the United States in Latin American countries to send at as early a date as convenient a full statement of the legislation in each country with reference to

(a) Bills of exchange; the status of legislation ratifying the Hague Convention on Bills of Exchange of 1912;

(b) Checks;

(c) Bills of Lading;

(d) Warehouse Receipts.

The International High Commission is interested in these subjects chiefly from the point of view of their character as negotiable instruments, and while information relative to customs regulations and other fiscal machinery involving, for instance, bills of lading, will be noted with interest, the Commission are especially anxious to secure a summary of existing law or any proposed changes. In case the diplomatic representatives of the United States desire to forward commercial codes or any other printed matter, it would be of great assistance to the Central Executive Council if such representatives would inquire of competent legal authority as to the present effect of these laws.

It is not desired, however, that the diplomatic representatives should incur any expense in this connection.

The Department would be pleased to have you comply with the wishes of the Central Executive Council as far as practicable.

I am [etc.]

For the Secretary of State:

ALVEY A. ADEE

OPIMUM LAWS AND REGULATIONS

File No. 800.114/22

DEPARTMENT OF STATE,
Washington, July 3, 1916.

To the Diplomatic Officers of the United States

GENTLEMEN: Referring to the Department's circular instructions of March 11 and July 8, 1914,¹⁰ regarding the laws and regulations of foreign countries governing the importation of opium and cocaine and their derivatives, I have now to inform you that since the greater part of the information regarding these laws and regulations was received, a new factor has entered the situation in the shape of the International Opium Convention proclaimed by the President on March 3, 1915.¹¹

As that Convention requires the contracting powers to take certain measures for the regulation of imports of opium, cocaine, etc., it is desired that you request of the government to which you are respectively accredited, a statement of the conditions under which

¹⁰ For. Rel. 1914, pp. 7 and 12.

¹¹ For. Rel. 1915, p. 1311.

they will permit the importation of the articles in question, in order that the regulations which Section 6 of the Opium Act of January 17, 1914, requires the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce to make may be early formulated and published.

With a view to acquainting those governments with what the Government of the United States has done in the regulation of imports of these drugs, I enclose a copy of Treasury Decision 34221 of March 3, 1914, containing a copy of the Opium Act of January 17, 1914, and the regulations thereunder.

Inasmuch as it is necessary to consider in this connection imports in the mails, it may be stated to each government that "poison such as opium" was prohibited by the United States from transmission in the regular mails and the parcel post exchange with foreign countries.

You will give this matter immediate attention and forward to the Department the statement requested as soon as possible.

I am [etc.]

ROBERT LANSING

INTERNATIONAL FARM CONGRESS

File No. 561.14A11

DEPARTMENT OF STATE,
Washington, August 24, 1916.

To the Diplomatic Officers of the United States

GENTLEMEN: Pursuant to a provision contained in the Agricultural Appropriation Act, approved August 11, 1916, you will extend to the governments to which you are respectively accredited an invitation to "appoint delegates or representatives to the International Farm Congress to be held in El Paso, Texas," October 19-21, 1916.

The International Farm Congress has for its purpose the spread of knowledge concerning better farming methods, especially in regions having light or irregular rainfall, and primarily the teaching of conservation of moisture through scientific tillage methods.

In extending the invitation and expressing the hope that the invited governments may deem it of advantage to be represented at the Congress, you will explain that, while the invitation is extended by the authority of the Congress of the United States, the International Farm Congress will not be held under government auspices and that no provision has been made by the Congress of the United States for the payment of the expenses of the foreign representatives who may attend, or for their entertainment.

In connection with the International Farm Congress there will be held the International Soil Products Exposition, at which the Department of Agriculture of the United States will make an exhibit illustrative of the investigations, products, and processes relating to farming in the subhumid, arid, and semi-arid regions of the United States.

Participation in this Exposition by the nations of the world will be welcomed by the management of the International Farm Congress.

I am [etc.]

For the Secretary of State:
JOHN E. OSBORNE

INTERNATIONAL IRRIGATION CONGRESS

File No. 561.13A23/1a

DEPARTMENT OF STATE,
Washington, September 8, 1916.

To the Diplomatic Officers of the United States

GENTLEMEN: Pursuant to a provision contained in the Agricultural Appropriation Act, approved August 11, 1916, you are instructed to extend to the governments to which you are respectively accredited an invitation to appoint delegates or representatives to the International Irrigation Congress to be held at El Paso, Texas, October 14-18, 1916.

At this coming Congress, subjects will be discussed appertaining to the methods, systems and apparatus looking to the better irrigation of farm and other lands, and particularly to the reclamation of arid country, and it is expected that at this meeting much information will be available of value to those engaged in farming and other agricultural pursuits.

You will express to the government of your official residence the hope that it will send delegates to attend the Congress and explain that, while the invitation is extended by the authority of the Congress of the United States, the coming International Irrigation Congress will not be held under the auspices of this Government, as no provision has been made by that body for the payment of the expenses of foreign representatives who may attend or for their entertainment in this country.

Following the International Irrigation Congress, there will be held at El Paso, the International Farm Congress of which you have been previously advised.

Participation in this conference by the nations of the world will be heartily welcomed by the management of the International Irrigation Congress.

I am [etc.]

ROBERT LANSING

ARGENTINA

MESSAGE OF THE PRESIDENT, VICTORINO DE LA PLAZA, TO THE CONGRESS

File No. 835.032/21

Ambassador Stimson to the Secretary of State

[Extract]

No. 236

AMERICAN EMBASSY,
Buenos Aires, June 9, 1916.

SIR: I have the honor to enclose copy of the official volume containing the President's speech at the opening of Congress.

I enclose translation of that part of the President's address which relates to Mexico, Pan American affairs and the relations of the Argentine Government with the United States.

I have [etc.]

F. J. STIMSON

[Inclosure—Translation]

At the beginning of your last session I had occasion to inform you of the invitation extended by the Government of the United States to be represented at the Pan American Financial Conference, which was to meet at Washington with the object of establishing closer financial relations among the nations of this continent. I also had occasion to inform you of the names of the delegates appointed to represent Argentina at that conference.

Principally on account of the abnormal circumstances of the American Republics resulting from the European war, reacting on them by reason of the close economic relations of the two continents and compelling them to resort first of all to their own resources, the conference could not fail to do a valuable work. Its results will be felt in a future which I presume to be almost immediate.

That conference resolved that, in each of the nations represented, a High Commission should be constituted, presided over by the Minister of Finance in each country, charged with the study of the best methods for obtaining uniform Pan American legislation in financial and commercial matters. These High Commissions were to send their representatives to this capital in November, 1915, to study the general bases for another financial conference to occur in Washington in 1916.

It was later decided to defer the meeting in Buenos Aires until April, 1916, and hence to postpone the Washington conference until 1917.

The Representatives of the High Commissions of the several countries met in Buenos Aires on the date indicated and fulfilled their purpose. Their work assures the success of the labors of the conference to be held in the United States next year.

Turning from a consideration of the circumstances attendant upon the state of war in Europe, the outlook for international American relations is very favorable.

Last year we were honored with the visit of the Foreign Ministers of Brazil and Chile, who came in the name of their respective Governments, to join in our patriotic celebrations. This visit produced, as you know, the signing of the peace treaty of May 25, 1915.

Conceived in the same spirit as the agreements latterly signed between the United States and the principal countries of the continent and with European nations, this instrument, which is at present before the Chamber of Deputies and already ratified by the Senate, is the last link in the chain which morally and materially united the three countries.

Like the Bryan treaty, since last year awaiting the sanction of Congress, the document signed on May 25, by the Chancellors of Argentina, Brazil and Chile tends to push to the remotest corner of probability a conflict between the three Powers; so that I can term it the culmination of an extended diplomatic effort destined to place upon an immovable foundation the friendship of three nations whose combined endeavor is a guarantee of peace and progress for this part of America. So that it is not hyperbolic to affirm that the investigation commission for which it provides will be the materialization, as it were, of the triumph secured in the cause of peace against the thousand factors daily opposed to its ideals.

The vote with which the Argentine Senate ratified the treaty and the approval of the Brazilian and Chilean Chambers are, it seems, a safe guarantee of the fact that the legislative bodies of the three nations have put a just appreciation on the work to which I have referred.

The perfect understanding on general matters which is the result of the Pan American policy of the three Governments which are signatories to the treaty of May 25, was once more brought into prominence in connection with the deplorable state of affairs in Mexico, which unfortunately still continues.

Congress will remember our action at the critical time when a difference between the United States and General Huerta, then in power in Mexico City, might have imperiled the peace of the continent. North American troops had already been landed at Vera Cruz and blood had already been spilt, when the Governments of Argentina, Brazil and Chile offered their mediation, happily accepted by the disputants.

In the Niagara Falls conferences which followed, the mediation proved most successful. The Government of the United States renounce with regard to Mexico all claim to indemnization or satisfaction and, recognizing that the country had no constitutional head, agreed to recognize the provisional government which the Mexican factions should elect in place of the government of Huerta, voluntarily resigning. The better to effect this, the mediators, through from the first, in accordance with a traditional attitude of the Argentine Chancellery, they had declined any intervention in Mexican internal affairs and were not disposed to abandon that position, favoured a meeting between Generals Carranza and Huerta, for an exchange of ideas as a solution of their differences.

On September 16, 1914, the first part of the engagement entered into by the United States was materialized: the North American troops evacuated Vera Cruz. The other part of the engagement could not be carried out right away. The representatives of the two great Mexican factions could not agree and even when Carranza had taken possession of the City of Mexico, evacuated by Huerta, and had thereby entered into the exercise of the executive powers, the Zapatists and Villistas continued to war among themselves and against the occupant of the capital.

During 1915, anarchy in Mexico reached a fearful height, followed by the ruin, misery and depopulation of the unfortunate country. It was a hecatomb which the conscience of America could not look upon indifferently, and the sympathy of all the countries of the continent was aroused.

Voicing this general sentiment, Secretary Lansing, the new Secretary of State of the United States, called a meeting of the Ambassadors of the A. B. C., with the three senior American Ministers at Washington (who proved to be the Ministers of Uruguay, Bolivia and Guatemala), inviting them to unite in a Pan American effort to solve the Mexican problem.

Faithful to our policy of nonintervention, so many times reiterated, the Argentine Ambassador at this meeting and subsequent ones from the first sustained his conviction that the pacification of Mexico was a thing to be effected solely through the action of Mexicans and that, without any outside intervention, only a government recognized by the chief Powers could bring about that result and secure happiness to the unfortunate country. Others shared this opinion with him.

In that conviction and in the belief that the lack of a responsible international medium added not a little to the want of security for the life and

property of the Mexicans themselves and of strangers resident in the country, the conference decided forthwith to limit the scope of its action to securing recognition for a government which could furnish the securities necessary, refraining entirely from interference with the Mexican factions and from bringing pressure to bear upon any of them.

The conference having resolved to accept whatever political situation might ensue from this step, from the point of view of the physical and moral possibilities which the government to be so chosen might offer in guarantee of the interests of all the inhabitants of Mexico, two paths to the desired goal lay before them. They might have issued a call to all the warring factions to come to an agreement to appoint a government to be recognized or which might be accorded recognition *motu proprio*, or, if an agreement were impossible, appeal to the persons constituted in authority who would actually retain power in the capital, with the greater probability of prevailing over the other parties.

One compromise and another was tried. Personally and unofficially each one of the members of Mr. Lansing's conference offered his good services to the Mexican 'bosses,' without result. This means having been abandoned, the conference was forced to adopt the second and on September 18, 1915, concluded its sessions, affirming the necessity for some responsible authority, but leaving each Government free to judge for itself of the capacity of any one of the Mexican parties to fulfil the duties of Government before the world and free to recognize such a government when it deemed it most opportune.

In view of this resolution and in accordance with simple and inevitable facts, the Argentine Ambassador, in accordance with instructions from his Government, on October 19, last year delivered the formal recognition by the Argentine Government of General Carranza as provisional president of Mexico.

Other Powers had been before hand with us in this; they, like ourselves, had doubtless believed that this procedure was necessary if the countries of America were to help, even indirectly, in the pacification of the sister State.

We have now only to hope that a moral force and an international authority such as have been vested upon the present government of Mexico through recognition, will bring the country the peace which we all have so ardently desired for her.

**INTERNATIONAL HIGH COMMISSION ON UNIFORM LEGISLATION,
CREATED BY THE FIRST PAN AMERICAN FINANCIAL CONFERENCE;¹ FIRST GENERAL MEETING. DRAFT TREATY PROVIDING
FOR AN INTERNATIONAL GOLD CLEARANCE FUND**

File No. 810.51/517

The Secretary of the Treasury to the Secretary of State

TREASURY DEPARTMENT,
Washington, February 18, 1916.

MY DEAR MR. SECRETARY: With reference to your letter¹ of the twenty-first of January, in which you discuss the necessity for fully informing the State Department of the work carried out under the recommendation of the Pan American Financial Conference, I am happy to set forth briefly at this time the chief points in connection with this work that will be of interest to the Department of State.

As you are aware, the International High Commission is the result of the First Pan American Financial Conference. That conference clearly realized that some sort of permanent standing committee would have to be chosen for the purpose of preparing the work of future conferences, as well as for the more important pur-

¹ For. Rel. 1915, pp. 20 and 1810.

² Not printed.

pose of making effective its own specific recommendations. One may sum up these recommendations by saying that the Financial Conference urged the adoption of a program of sustained and persistent public action looking to the removal of positive or negative obstacles to the promotion of closer financial and commercial relations between the American Republics. The conference found that the obstacles to the strengthening and expansion of inter-American trade relations consisted now in the conflict of various systems of administrative law or fiscal regulations; now in fundamental disagreements between distinct juristic theories and traditions; again in the friction between the technical rules providing for the adjustment of differences in questions so highly specialized as those of literary property, patents of invention and trademarks; or, finally, in the fundamental negative obstacle or an absence of real cooperation between the financial communities of the several republics. These obstacles, the conference thought, should be subjected to searching study by groups of financial, legal and technical experts, organized on an international basis and working in close cooperation, both by correspondence and in conference assembled. The Financial Conference, therefore, solemnly recommended the creation of an international commission consisting of national sections, each of nine members, and each presided over by the Minister of Finance or Secretary of the Treasury. This commission was to devote itself to the study of those problems and to evolve practical methods of resolving them. The consensus of opinion as to what in each case would best serve common interests would finally be formulated into concrete measures of substantial harmony and unity of purpose, such measures respectfully to be submitted to the consideration of the legislative bodies of the participating republics.

All the governments that were represented at the First Financial Conference have named their representatives. It is true that not all of them have named sections of nine men; Colombia will be represented apparently only by one, and Honduras only by three commissioners; and in a few cases the Ministers of Finance will not serve as Chairmen. I am happy to enclose a list of members of the various sections, as known to us at this time.²

The various sections have begun their work and are exchanging preliminary views upon the topics proposed for their consideration by the Financial Conference. Some of the sections have added new topics to the original list submitted by the conference, and among these should be numbered the United States Section, which has recommended the study of the following topics:

1. Necessity of better transportation facilities between the American Republics, and means of securing them.
2. Improved banking facilities; extension of credits; financing of enterprises, public and private.
3. Stabilizing of international exchange.
4. Arbitration of commercial disputes.
5. Negotiable instruments; bills of lading; warehouse receipts.
6. Uniformity of customs regulations and classification of merchandise.
7. Postage rates; parcel post and money order facilities.

² Not printed.

8. Cable rates; wireless telegraphy.
9. Commercial travelers and their samples.
10. Patents, trademarks, and copyrights.

Several special reports and memoranda have been prepared upon these topics, and others are in process of preparation. Enclosed will be found a full set of those reports so far printed.² The views of the United States Section upon these topics have been incorporated in a brief memorandum, a copy of the Spanish version of which is enclosed herewith.

While to a large extent the preliminary work of preparing for the April meeting of the commission has been carried out by the staff of the United States Section of the commission, under my direction, it was understood from the first that the responsibility for the organization of the conference rested with the Argentine authorities. Recently it has been made perfectly clear by correspondence between the Argentine Government and this Department, through the usual diplomatic channels, that we would most heartily cooperate in facilitating the work of the Argentine Section of the commission in preparing the program, thus insuring a successful meeting. Such memoranda and relevant correspondence as we have received from the various Latin American Sections of the commission we are hastening to put at the disposal of the Argentine Section of the commission, in order that it may be fully informed of all that has taken place up to this time.

The United States Section will depart for Buenos Aires on March 8, making very brief stops at Rio de Janeiro and Montevideo; after its attendance at the sessions of the conference it will return to this country by the west coast. In order that the members of the section might enjoy a status no less definite than that which had been given to the other sections of the commission by their respective governments, the Congress thought it desirable to approve and confirm their appointment by the Secretary of the Treasury and to provide means adequate to enable them to carry on their work. The necessary authority and appropriation were provided for in an act approved February 7.

It will be a gratifying addition to the resources of the United States members of the commission to be able to count upon the heartiest assistance of the United States diplomatic and consular representatives in the republics through which they may have occasion to pass; and I know that you will be happy to instruct these representatives accordingly.

From this time on I shall request you, as occasion arises, to be good enough to communicate to the representatives of the governments participating in this work various announcements of a general character, in order that these diplomatic representatives may be fully informed of what has been done, or of what is contemplated. It will be perhaps of some general advantage to them to receive from you a brief memorandum embodying the points contained in the present communication.

In all these matters, my dear Mr. Secretary, I know that the members of the United States Section of the commission and I will

² Not printed.

continue to enjoy the hearty support and cooperation of yourself and of the Department of State; and I am confident that this will be of the most substantial assistance in the furtherance of our work.

Very faithfully yours,

W. G. McAdoo

File No. 810.51/574

The Chargé d'Affaires of Argentina to the Secretary of State

EMBASSY OF ARGENTINA,
Washington, February 23, 1916.

YOUR EXCELLENCY: I have the honor to inform your excellency that I have received telegraphic instructions to transmit to your excellency's Government the invitation of the International High Commission which is to meet in Buenos Aires on April 3 next, that it be represented at said meeting, and to express to your excellency the great interest that the United States be so represented.

I am further charged to inform your excellency that the delegates who may be appointed on behalf of the United States will be received as guests of the Argentine Government.

Accept [etc.]

F. M. QUINTANA

File No. 810.51/493

*The Secretary of State to the Chargé d'Affairs of Argentina*¹

DEPARTMENT OF STATE,
Washington, February 25, 1916.

SIR: I have the honor to transmit herewith, at the instance of the Secretary of the Treasury, a collection of reports on a number of topics for discussion at the coming International High Commission at Buenos Aires, which, it is thought, will be of interest to the diplomatic representatives of the Latin American countries participating in that conference.²

Accept [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 810.51/574

The Secretary of State to the Chargé d'Affairs of Argentina

DEPARTMENT OF STATE,
Washington, March 7, 1916.

SIR: I have the honor to acknowledge the receipt of your note of the 23d ultimo, extending to the Government of the United States the invitation of the International High Commission, which is to meet in Buenos Aires on the 3d of April, to participate in that meeting.

¹ Not printed.

² The same to the other missions of Latin America.

You are so good as to further inform me that the delegates who may be appointed on the part of the United States will be received as guests of the Argentine nation.

The Government of the United States, in carrying out the plans of the recent conference of American financiers at this capital, is glad to avail itself of the opportunity afforded for further discussions upon topics of such vital importance to the Governments of the Americas, and the courteous invitation of the International High Commission is accepted with the prophetic feeling that great results will ensue from this important conference.

The American Section of the commission will embark on its mission from Hampton Roads on board the U. S. S. *Tennessee* on the 8th of March, the personnel of the party being as follows:

The Secretary of the Treasury, Chairman, and Mrs. McAldoo.

The Assistant Secretary of the Treasury, and Mrs. Peters.

United States Senator Duncan U. Fletcher.

Mr. Paul M. Warburg, of the Federal Reserve Board.

Mr. and Mrs. Samuel Untermyer, of New York City.

Mr. John H. Fahey, President of the United States Chamber of Commerce, and

Mr. Archibald Kains, of San Francisco, as delegates.

Mr. J. Brooks B. Parker, and

Mr. C. E. McGuire, Assistant Secretaries General of the Section, will accompany the party, as will also

Mr. G. A. Sherwell and

Mr. H. N. Branch as interpreters and translators, and

Mr. Claud de Baun, and

Mr. S. J. Katsberg, and

Mr. T. A. Gray as stenographers.

Richard Greene will be messenger to the party.

The American Section purposes to reach Buenos Aires on or about the 31st of March.

Accept [etc.]

ROBERT LANSING

File No. 810 51/517

*The Acting Secretary of State to Minister Gonzales**

DEPARTMENT OF STATE,
Washington, March 14, 1916.

SIR: The United States Section of the International High Commission sailed on March 8 on board the U. S. S. *Tennessee* for Buenos Aires to attend the Conference which will convene in that capital on April 3. As you will see from the appended list of the members of the party the Secretary of the Treasury is accompanying the delegation as Chairman.

At the conclusion of the International High Commission at Buenos Aires the American Section will make its return voyage to the United States up the west coast of South America, and plans to stop at Habana about May 4 for a visit of one day.

* Similar instructions to the American Ministers at Panama, Quito, and Lima.

You will inform the Government of Cuba of the proposed visit to that country of the American Section of the International High Commission, and do what you properly can to facilitate the landing of the party and to make their visit a successful and pleasant one.

I am [etc.]

FRANK L. POLK

File No. 810.51/597

Ambassador Stimson to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Buenos Aires, April 3, 1916.

High Commission opened in Chamber of Deputies. Speech by President; response by Secretary McAdoo and other presidents of commissions, alphabetically. Twenty countries. Great éclat. All diplomats present, including those of belligerent countries.

STIMSON

File No. 810.51/619

The President of Argentina to the President

[Telegram—Translation]

BUENOS AIRES, April 15, 1916.

The Conference of the High Commission on Uniform Legislation has closed its session after ten days of earnest labor exerted in an atmosphere of most cordial collaboration and community of purpose. I confidently hope that that meeting of distinguished jurists and financiers will be prolific of good for the nations of America and will strengthen the ties of race, sympathy and reciprocal interests that bind them and watch over the high destinies which human evolution has in store for the New World.

I offer to Your Excellency my sincere congratulations on the grand success achieved with the highly disinterested and open cooperation of your country's delegation.

VICTORINO DE LA PLAZA

File No. 810.51/619

The President to the President of Argentina

[Telegram]

WASHINGTON, May 17, 1916.

Your Excellency's friendly message of the 15th of April has just been brought to my attention and I hasten to express my deep gratification at the successful outcome of the recent International High Commission, and to extend to you, the Government and the people of the Argentine nation, sincere appreciation of the hearty reception extended to the American delegates and the cordial hospitality which greeted them at every hand.

The American delegates have returned home with memories of their visit as delightful as those which were left with us at the con-

clusion of the International Conference at Washington, and I assure Your Excellency that these exchange visits have evidenced most strongly the traditional friendly ties and common interests existing between your flourishing country and the United States of America.

WOODROW WILSON

File No. 810 51/668

The Secretary of State to Ambassador Stimson⁶

DEPARTMENT OF STATE,
Washington, June 6, 1916.

SIR: The United States members of the International High Commission have returned home deeply impressed with the cordial treatment which they received in Argentina, evidencing as it did the friendly regard entertained for the United States in that Republic, as well as the interest which the Government and people of Argentina took in the important questions of financial and commercial intercourse which the High Commission was called upon to consider. It is, therefore, desired that you express to the Government of Argentina the appreciative thanks of the Government of the United States for the hearty welcome extended to the Commissioners by the Government and people of Argentina and the generous hospitality accorded to them throughout their visit.

I am [etc.]

For the Secretary of State:
JOHN E. OSBORNE

File No. 810.51/678

DEPARTMENT OF STATE,
Washington, June 29, 1916.

To the Diplomatic Officers of the United States in Latin American countries

GENTLEMEN: In order to make the direction of its work as effective as possible, the International High Commission which met at Buenos Aires in April last adopted a resolution providing for a Central Executive Council "whose duty it shall be to centralize and coordinate the labors of the Commission, to keep the several sections in constant touch with one another, and to carry out the conclusions of the International High Commission and the Pan American Financial Conferences, and to prepare the program, reports, and all other material necessary for the holding of the second meeting of the International High Commission." The executive officers of the United States Section of the High Commission have become president, vice president and secretary general of this Council.

As one of the first steps in carrying into effect the important and constructive recommendations of the International High Commission at its Buenos Aires meeting, the office of the Central Executive Council desires to obtain the most accurate and recent information with reference to the status of national legislation on negotiable instruments and commercial paper. To this end the Central Executive Council, through the Secretary of the Treasury, has requested the

⁶ The same, *mutatis mutandis*, to the American missions in the other countries visited by the United States delegation.

Secretary of State to instruct the Diplomatic Officers of the United States in Latin American countries to send at as early a date as convenient a full statement of the legislation in each country with reference to

(a) Bills of exchange; the status of legislation ratifying the Hague Convention on Bills of Exchange of 1912;

(b) Checks;

(c) Bills of lading;

(d) Warehouse receipts.

The International High Commission is interested in these subjects chiefly from the point of view of their character as negotiable instruments, and while information relative to customs regulations and other financial machinery involving, for instance, bills of lading, will be noted with interest, the Commission are especially anxious to secure a summary of existing law or any proposed changes. In case the diplomatic representatives of the United States desire to forward commercial codes or any other printed matter, it would be of great assistance to the Central Executive Council if such representatives would inquire of competent legal authority as to the present effect of these laws.

It is not desired, however, that the diplomatic representatives should incur any expense in this connection.

The Department would be pleased to have you comply with the wishes of the Central Executive Council as far as practicable.

I am [etc.]

For the Secretary of State:

ALVEY A. ADEE

File No. 810.51/685

*The Secretary of State to the Chargé d'Affaires of Peru**

At the instance of the Secretary of the Treasury the Department of State transmits herewith for the information of the Chargé d'Affaires of Peru a copy of a Spanish translation of the Uniform Warehouse Receipts Act now prevailing in fifteen States of the Union. By virtue of a resolution of the Buenos Aires Conference, the Central Executive Council is directed to circulate material looking toward uniformity of national laws governing negotiable instruments.

DEPARTMENT OF STATE,

Washington, July 8, 1916.

File No. 810.51/695

The Acting Secretary of State to the Ambassador of Argentina¹

DEPARTMENT OF STATE,

Washington, August 3, 1916.

The Acting Secretary of State presents his compliments to his excellency the Ambassador of the Argentine Republic and, at the re-

* The same, *mutatis mutandis*, to the other Latin American members of the Diplomatic Corps at Washington.

¹ The same, *mutatis mutandis*, to the other Latin American missions at Washington.

quest of the Secretary of the Treasury, has the honor to enclose for the Ambassador's information two brief printed memoranda summarizing the accomplishments of the meeting of the Central Executive Council and of the United States Section of the International High Commission on the fifteenth of June.

[Inclosure 1]

MEETING OF THE CENTRAL EXECUTIVE COUNCIL OF THE INTERNATIONAL
HIGH COMMISSION

THURSDAY, June 15, 10.30 to 12 a. m.

The Central Executive Council at its meeting to-day discussed the relation between itself and the twenty national sections of the International High Commission. It took up, first, the important question of securing ratification in those countries which have not yet ratified them of the—

- (a) Patent, trademark, and copyright conventions of 1910;
- (b) Pecuniary claims convention of 1910;
- (c) Resolutions on customs modification of 1910.

The President of the Commission announced that he would send to the State Department a letter outlining the work of the International High Commission explaining its future organization and its relation to the various national sections, and assuring the State Department of its desire to work in all matters that are absolutely of a diplomatic character through the State Department. Mention would be made of the fact that if the State Department has no objection the president and officers of the International High Commission would communicate directly with the several national sections on all matters of a purely international character. In this letter, too, attention would be called to those countries which are delinquent in ratification of above-mentioned conventions and the State Department would be requested to send out an identical letter to the several embassies and legations in question, asking for immediate and specific information as to the status and prospects of such ratifying legislation.

On receipt of the information requested in this letter to the State Department the Central Executive Council would know what steps further to take in the matter of securing this desirable result of ratification.

The question of gold clearance fund treaties was postponed until after discussion with Mr. Warburg could be held in the afternoon session.

With reference to the extension of arbitration, it was decided to send a letter to the Chamber of Commerce of the United States dwelling upon the importance of that organization's endeavoring to secure favorable action by other Chambers of Commerce than that of Buenos Aires in this regard, and emphasizing the desire of the United States Section and of the Central Executive Council to cooperate in every way. With reference to controversies between Governments and alien corporations, progress was to be secured through the ratification and putting into operation of the conventions on pecuniary claims.

With reference to the work of the Central Executive Council in the field of negotiable instruments, it was felt that the first matter to take up was to give the widest circulation to the Federal law on bills of lading, the adoption of which, under the name of "Pomerene Bill", may be confidently expected within a short time. Subsequently other matters would be taken up, such as the unification of South American laws on Bills of Exchange and Checks, on a basis of the Hague Conference Uniform Law of 1912, as amended at Buenos Aires. In the meantime as much information as possible would be circulated in South America regarding the effect of such adoption and with reference to other branches of the law of negotiable instruments, such as warehouse receipts.

Emphasis was laid by the members present upon the necessity of putting before the public, as well as meetings of specialists, the fullest possible explanation of the work of the High Commission now or in the future.

[Inclosure 2]

MEETING OF THE UNITED STATES SECTION OF THE INTERNATIONAL HIGH COMMISSION

THURSDAY, June 15, 2.40 to 4 p. m.

Present: The chairman, vice chairman, and Messrs. Fletcher, Peters, Warburg, Fahey; the secretary general, assistant secretaries general, and Mr. Branch.

The secretary opened the meeting with a brief summary of the work done at the meeting of the Central Executive Council, held on the morning of the same day. He then passed on to open a discussion with Mr. Warburg as to the opportuneness of action at this time with reference to gold clearance fund treaties. Mr. Warburg's opinion was that at this moment the State Department might well begin its inquiries and even the preparation of a draft to cover the situation. At the secretary's suggestion Messrs. Warburg and Moore agreed to draft a tentative plan for submission to the State Department.

The secretary general then announced the form that the report would take, as follows:

Part one. Report of United States Section to the President, with an appendix of English translations of committee reports and resolutions.

Part two. Official English version of journal of sessions, with memoranda attached.

This was approved by the Section and its preparation along those lines agreed to.

Individual reports from the members of the Section with regard to the work recommended by them on their several topics were then received. The first was made by Senator Fletcher; he urged that the Post Office Department be immediately invited to take part in the conference at Montevideo. On the motion of the Chairman the Secretary General was authorized to notify the Postmaster General of the action taken at Buenos Aires and to urge that provision be made for the participation of the United States in the Montevideo Congress.

With reference to telegraph facilities and rates, the Chairman announced that he would take up in individual conference with the president of the Western Union Telegraph Company and Central and South American Telegraph Company the several questions relative to the improvement of telegraphic communication and the reduction of telegraph rates.

With reference to the action to be taken upon the recommendations of the Committee on Customs Legislation, Assistant Secretary Peters pointed out that a large number of these recommendations would call for administrative action only. The resolution of the Fourth International Conference of American States at Buenos Aires, 1910, with regard to customs documents and regulations was discussed, and on motion of the Secretary the Secretary General was instructed to learn whether the State Department could not press some of the points involved in this resolution for immediate ratification and adoption. A letter to the Ministers of Finance was authorized, in which indication would be given that the commercial statistics of the United States—which are published by the Department of Commerce—would henceforth have all quotations given in the American Franc (Jan. 1, 1917). With regard to the commercial nomenclature, it was pointed out that this was a very great task, and that in some respects a brief glossary might be better. For the present, action upon this matter would be withheld until formal notice could be given to the Governing Board of the Pan American Union.

Mr. Warburg said that until the amendments to the Federal Reserve Act now pending in the Senate should have been adopted, no discussion of the improvement of credit facilities in Central and South America would be practical. His opinion was that emphasis should be put upon the passage of these amendments and that efforts should be engaged in to secure a treaty covering the clearance fund system. It was suggested that Mr. Warburg give a detailed account of the proposed American Franc to the Bulletin of the Pan American Union.

In considering commercial travelers and the regulations governing them, it was decided to prepare a treaty at once for submission to Argentina. Mr. Fahey announced that all the preliminary work with regard to arbitration

of commercial disputes had been completed and that an agreement with Uruguay would soon be entered into. It was suggested that Mr. Fahey and Dr. Rowe discuss the possibility of adapting the Pecuniary Claims Convention of 1910 to meet all problems arising out of litigation between Governments and foreign corporations. Authorization was given to ask the State Department to urge through diplomatic channels the early ratification of the Pecuniary Claims Convention.

At this point Mr. Francisco J. Yanés, Assistant Director of the Pan American Union, arrived and remained with the Section until the close of its meeting. Mr. Yanés discussed with the Section the extent to which the Union could cooperate in carrying on the work of a revision of the nomenclature and the other points under discussion. It was proposed to him that the Bulletin of the Union publish a quarterly or semiannual supplement dealing with labor and social welfare legislation; in this way national sections of the International Labor Association could be formed in South America. It was also suggested that the Union take part in a great movement to survey the natural resources of all the American Republics, with careful regard to mineral deposits; such a survey to serve as the basis for uniformity of legislation of methods of classification and analysis. Mr. Yanés declared that the Union is willing to cooperate in all this work to whatever extent its financial limitations would allow. On the motion of Mr. Moore, authorization was given to notify the Governing Board of the Pan American Union in a formal manner of the action taken at Buenos Aires, and of the opinion of the United States Section with regard to its realization.

Secretary McAdoo urged that the Department of Commerce and the Federal Trade Commission be invited to consider how far each might contribute to this work on the part of the Union, and the Secretary General was authorized to invite suggestions from these bodies and others with regard to this matter.

Recurring to the question of pecuniary claims, Mr. Fahey pointed out that no code of procedure existed and that until one should have been drafted it would be of no help merely to have the general principle enunciated in the form of a convention. The Section thought, however, that the first step was to secure ratification of the Convention of 1910. Mr. Fahey's query—whether a standard code would be necessary—was answered by Dr. Moore to the effect that The Hague Convention of 1907 might serve as the general code, together with any special provisions as to procedure that might be desirable. Such provisions are allowable under The Hague Convention or under the Pecuniary Claims Convention of 1910.

After some slight discussion of the question of diplomatic action on the part of the United States to mitigate the situation of the exporters of cereals in Argentina—a discussion called forth by a telegram from the correspondent of *La Prensa*—

The meeting adjourned subject to the call of the chairman.

File No. 810.51/706

The Acting Secretary of State to the Ambassador of Argentina¹

DEPARTMENT OF STATE,
Washington, October 4, 1916.

SIR: I have the honor to transmit herewith for your information a copy in English and one in Spanish of the First Edition of the Committee Reports and Resolutions, adopted at the first meeting of the International High Commission at Buenos Aires in April last.²

A number of these reports have been sent to the Minister of Finance of Argentina for such use as he may deem proper to make of them and I shall be pleased to furnish you with additional copies, should you desire them.

Accept [etc.]

FRANK L. POLK

¹ Not printed.

² The same, *mutatis mutandis*, to the other Latin American missions at Washington.

File No. 810.51/785a

The Secretary of State to Ambassador Stimson^{}*

DEPARTMENT OF STATE,

Washington, December 14, 1916.

SIR: I enclose herewith fifteen copies of a draft treaty² provided for an international gold clearance fund, together with fifteen copies of a memorandum explanatory of the same.

This draft has been prepared by the Central Executive Council in accordance with the resolution of the first general meeting of the International High Commission at Buenos Aires in April last. The Latin American commissioners attending that meeting are already familiar with the underlying principles of this project and the purpose of the accompanying memoranda is to refresh the minds of those commissioners as to the details of the project, and to explain it to those to whom it is wholly new.

On the basis of the discussion between the several National Sections and the Central Executive Council, which will undoubtedly take place when adequate study shall have been given to these documents, the Commission as a whole will evolve the final form of treaty to be duly submitted to the respective Departments of State and of Foreign Relations for negotiation in the usual manner.

On behalf of the Central Executive Committee you are requested to take up the questions under discussion in the enclosed memoranda and the draft treaty informally and unofficially with the Minister of Finance of Argentina, through the proper channel, and with such other authorities in the country to which you are accredited as may seem proper, with a view to obtaining an expression of their views as to the probability of acceptance of the propositions by the Government of that country, and any other opinions upon the subject which might be of value to the Central Executive Council.

You are further requested to inform the Minister of Finance that the technical aspects of the subject are to be taken up by the respective Ministers of Finance or other appropriate members of the International High Commission directly with the Central Executive Council, and you will please inform the Minister of Finance that the Central Executive Council will deeply appreciate an adequate expression of his views upon these technical aspects.

The Department would be glad to receive from you for the information of the Council a comprehensive report upon the questions herein dealt with at the earliest date.

I am [etc.]

ROBERT LANSING

^{*} Not printed.

² The same, *mutatis mutandis*, to the other American missions in Latin America.

AUSTRIA-HUNGARY

DEATH OF EMPEROR FRANCIS JOSEPH AND ACCESSION OF KARL I

File No. 863.001F85/8

The Chargé d'Affaires of Austria-Hungary to the Secretary of State

[Translation]

AUSTRO-HUNGARIAN EMBASSY,
Washington, November 22, 1916.

EXCELLENCY: I have the sad duty of informing your excellency that His Imperial and Royal Apostolic Majesty Franz Joseph I, my most gracious master, died at 5 minutes after 9 o'clock in the evening of November 21, after a short illness. I am instructed to request your excellency to bring this sad news to the knowledge of His Excellency the President of the United States.

Accept [etc.]

E. ZWIEDINEK

File No. 863.001F85/9

The Emperor to the President

[Telegram]

BERLIN, VIA SAYVILLE, *November 22, 1916.*

With deepest sorrow I hasten to inform Your Excellency that my beloved grand-uncle, His Imperial and Royal Majesty, Francis Joseph Roemisch I, expired last night after a short illness. I feel confident that Your Excellency and the American nation will sympathize with the great loss that Austria-Hungary has sustained by the death of His Majesty.

CHARLES

File No. 863.001F85/8a

The President to the Emperor

[Telegram]

THE WHITE HOUSE,
Washington, November 22, 1916.

I beg of Your Majesty and the Imperial and Royal Family to accept the sincerest sympathy of Mrs. Wilson and myself in the great loss which you have sustained in the death of your illustrious uncle, for whom I entertained sentiments of high esteem and regard. I also extend to Your Majesty the condolences of the Government and people of the United States, and convey to you my best wishes for your personal well-being and prosperity.

WOODROW WILSON

File No. 863.001F85/8b

The Secretary of State to Ambassador Penfield

[Telegram]

DEPARTMENT OF STATE,
Washington, November 22, 1916.

1427. The President has sent a message of sympathy to Emperor Charles Francis Joseph. Extend sincere condolences of President, Government, people of the United States, to the people of the Dual Monarchy in death of their late venerated Emperor and King, endeared to them by his nobly borne private griefs and the wisdom and benevolences of his long and eventful reign.

Extend to Minister for Foreign Affairs my personal sympathy in this great loss which has been sustained by Austria-Hungary in the death of His Majesty.

LANSING

File No. 863.001F85/8

*The Secretary of State to the Chargé d'Affaires of Austria-Hungary*DEPARTMENT OF STATE,
Washington, November 23, 1916.

SIR: I have had the honor to receive with great regret your note of yesterday by which you officially communicate to me the sad intelligence of the death of His Majesty Franz Joseph I, Emperor of Austria, King of Bohemia and Apostolic King of Hungary, at five minutes past nine o'clock on the evening of November the twenty-first.

It has been my pathetic duty to bring promptly this information to the knowledge of the President who, greatly shocked by the demise of this venerable and illustrious ruler for whom he entertained high esteem and regard, has conveyed directly by telegram to Emperor Karl Franz Joseph and the Imperial and Royal Family his own sincere condolences and those of the Government and people of the United States in this great grief which has come upon the Dual Monarchy, and extended to the new Emperor his best wishes for his personal well being and prosperity.

I have in like manner offered to the Minister for Foreign Affairs of Austria-Hungary the expression of my own personal sympathy in the great loss which has been sustained by Austria-Hungary.

Accept [etc.]

ROBERT LANSING

File No. 863.001F85/7

The Secretary of State to Ambassador Penfield

[Telegram]

DEPARTMENT OF STATE,
Washington, November 23, 1916.

1428. The President, desiring to show the high respect due to the memory of the late Emperor and King, has invested you with the

rank and character of a Special Ambassador to represent him and the people of the United States at funeral obsequies. So notify Foreign Office. Send appropriate wreath in President's name.

LANSING

File No. 863.001F85/13

Ambassador Penfield to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Vienna, November 26, 1916.

1551. Department's 1428. In reply to your message of condolence, which was received on the 25th instant, Minister for Foreign Affairs states:

I hasten to request your kind intervention in order to express to Mr. Lansing and the Government of the United States my deep-felt thanks for this kind message of condolence.

May I also request you to thank Mr. Lansing very warmly on my behalf for his personal sympathy, which I appreciate very deeply.

BURIAN
PENFIELD

File No. 863.001F85/27

Ambassador Penfield to the Secretary of State

[Extract]

No 2259

AMERICAN EMBASSY,
Vienna, December 3, 1916.

SIR: * * * On November 28 the new Emperor Karl I of Austria and King Karl IV of Hungary and the Empress-Queen Zita received the Ambassadorial Body—now reduced to five members—at the Hofburg * * *

On November 30 I was again received at the Hofburg by the Emperor and Empress, this time in my capacity of Special Ambassador. * * *

At three o'clock that afternoon the obsequies over the mortal remains of the sovereign, who had ruled longer than any monarch since Louis XIV, were held in the cathedral church of St. Stephen's. * * * At the close the Emperor, Empress and a hundred or more royalties followed the hearse on foot to the Capuchin Church, whose crypt contains the coffins of scores of Hapsburgs. In the march from the cathedral to the church the special representatives were given places immediately behind the Imperial Family. President Wilson's representative walked with the representative of the Pope. * * *

December 30 is the date fixed for crowning King Karl IV and Queen Zita at Budapest. * * * The new Crown Prince, born on November 20, 1912, is named Franz Joseph Otto.

I have [etc.]

FREDERIC C. PENFIELD

RELEASE OF FRANK GHILONI, AN AMERICAN CITIZEN. IMPRESSED INTO THE ITALIAN ARMY AND TAKEN PRISONER

(See Italy: Liability to military service, etc.)

BELGIUM

ABROGATION OF PROVISIONS OF CERTAIN TREATIES CONFLICTING WITH THE SEAMEN'S ACT OF MARCH 4, 1915.—ACCEPTANCE OF THE ABROGATION BY BELGIUM, CHINA, DENMARK, FRANCE AND GREECE. STATEMENT BY BRAZIL OF STATUS OF TREATY PROVISIONS.¹

File No. 711.0021/94a

*The Secretary of State to the American Legation at Brussels*²

[Circular telegram]

DEPARTMENT OF STATE,
Washington, April 1, 1916.

Endeavor obtain early reply to representations made in accordance with Department's instruction May 29, 1915, regarding Seamen's Act, approved March 4, 1915.

LANSING

BELGIUM

File No. 711.5521/3

Consul Osborne to the Secretary of State

[Extract]

No. 402

AMERICAN CONSULATE,
Havre, June 30, 1916.

SIR: I have the honor to transmit herewith enclosed a copy and translation of a letter to me from Baron Beyens, Belgian Minister of Foreign Affairs at Sainte Adresse, dated June 29, 1916, relative to the act to promote the welfare of American seamen in the merchant marine of the United States approved March 4, 1915, and its effect on the conventional stipulations between the United States and Belgium and the former Independent State of the Kongo.

This communication is in reply to Minister Whitlock's letter to the late Mr. Davignon, Minister of Foreign Affairs of Belgium, dated July 6, 1915.

JOHN BALL OSBORNE

[Inclosure—Translation]

The Minister for Foreign Affairs to Consul Osborne

MINISTRY FOR FOREIGN AFFAIRS,
Havre, June 29, 1916.

SIR: As you are aware, his excellency Mr. Brand Whitlock was so good as to communicate to Mr. Davignon the text of a law relative to the merchant marine, approved by the American Congress March 4, 1915.

¹ Continued from For. Rel. 1915, p. 8.

² Sent also to the Embassies at Rio de Janeiro, Vienna, and Madrid, and the Legations at Peking, Copenhagen, Athens, The Hague, Christiania, and Bucharest.

That law entrusts the President of the United States with the duty of terminating the provisions of the international treaties to which the United States are a party, which are not in agreement with the new régime which it establishes.

His excellency pointed out, as coming within this purview, Articles 11 and 12 of the Consular Convention concluded March 9, 1880, between Belgium and the United States, as well as Article 5 of the Treaty of Amity, Commerce and Navigation signed January 24, 1891, between the Independent State of the Kongo and the United States. Nevertheless, rather than denounce the two conventions, the American Government suggests to the Government of the King to terminate, by agreement, these three articles and leave in force the other provisions of the treaties. Furthermore, it proposes to put on record the agreement reached on this point by an exchange of notes; these should provide that the articles referred to shall cease to have effect July 1, 1916.

The Government of the King, appreciating the reasons which have caused the promulgation of the American law of March 4, 1915, and which lead the American Government to propose the abrogation of the conventional stipulations in question, accepts this proposal, as regards Articles 11 and 12 of the Consular Convention of March 9, 1880.

The agreement on this point will take effect dating from July 1, 1916. It will be considered as established by the present letter and by the communication to which it is in response and which Mr. Brand Whitlock addressed to Mr. Davignon on July 6 last.

The Belgium Government is likewise in agreement with the American Government for the continued application after July 1, 1916, under the former conditions, of the non-abrogated articles of the Consular Convention.

As regards the Treaty of January 24, 1891, with the former Independent State of the Kongo, the Government of the King desiring, on its side, to make modifications in several of its provisions, considers that the best solution consists in terminating the convention itself.

I should be obliged to you, Mr. Consul, if you would be good enough to inform the American Government and request it to make formal acknowledgment of this denunciation to the Belgian Government.

The latter, on the other hand, being desirous of giving satisfaction to the request of the Government of the United States, consents that Article 5 of the Treaty of January 24, 1891, shall cease to have effect on and after July 1, 1916, the other articles remaining provisionally in force.

Receive [etc.]

BEYENS

File No. 711.5521/4

The Secretary of State to the Minister for Foreign Affairs of Belgium

DEPARTMENT OF STATE,
Washington, November 11, 1916.

EXCELLENCY: I have had the honor to receive through the American Legation at Brussels and the American Embassy at Berlin, the communication which you addressed on June 29, 1916, to Mr. John Ball Osborne, American Consul at Havre, France, in reply to the note by which Mr. Brand Whitlock, American Minister at Brussels communicated to Mr. Davignon the text of the law of the United States approved March 4, 1915, known as the Seamen's Act, and notice of the intention of the Government of the United States to denounce, in pursuance to that law, Articles 11 and 12 of the Consular Convention concluded March 9, 1880, between the United States and Belgium, and Article 5 of the Treaty of Amity, Commerce and Navigation, signed January 24, 1891, between the United States and the Independent State of the Kongo, as well as the desire of the Government of the United States that the remaining articles of these

two conventions might be continued in force by agreement or an exchange of notes.

I am gratified to learn by your excellency's note that the Belgian Government duly appreciated the reasons which caused the enactment of the law, and has accepted this Government's notification as terminating from July 1, 1916, the effect of Articles 11 and 12 of the Consular Convention of March 9, 1880 between the United States and Belgium, and that it accepts the further proposal of the Government of the United States to leave in force by exchange of notes the other provisions of the said convention, which exchange of notes the Government of the United States understands by your excellency's communication may be considered as effected by your communication under acknowledgment and the communication to which it is in response, addressed by Mr. Whitlock to Mr. Davignon on July 6, 1915. This understanding is entirely acceptable to the Government of the United States which, therefore, regards the Treaty of March 9, 1880, as being in full force and effect with the exception of its Articles 11 and 12.

With respect to the Treaty of Amity, Commerce and Navigation, signed on January 24, 1891, between the United States and the Independent State of the Kongo, your excellency, while stating that the Belgian Government consents that Article 5 of this Treaty shall cease to have effect on and after July 1, 1916, and that the other Articles shall remain provisionally in force, points out that the Belgian Government desiring to make modification in several provisions of the Treaty, would prefer that formal notice be given by the Government of the United States denouncing the whole Treaty.

In regard to this, I have the honor to suggest to your excellency whether, in view of the fact that the Government of the United States has given notice of the abrogation of Article 5 of this Treaty, in pursuance of the Act of March 4, 1915, which notice has been accepted by the Belgian Government, that Government may not consider, as does the Government of the United States, that notice of the denunciation of the Treaty as a whole should more appropriately be given in behalf of the other contracting party by the Government of Belgium.

Accept [etc.]

ROBERT LANSING

File No. 711.5521/8

The Minister for Foreign Affairs of Belgium to the Secretary of State

[Translation]

Division B, No. 400 N

MINISTRY OF FOREIGN AFFAIRS,
Le Havre, December 31, 1916.

MR. MINISTER: I have in my possession the letter which your excellency was pleased to address to me on November 11 last, in reply to the communication of June 29 which I sent to the Consul of the United States at Havre about the repeal of certain provisions of the Consular Convention concluded March 9, 1880, between Belgium and the United States, and of the Treaty of Friendship, Commerce

and Navigation, signed January 24, 1891, between the Independent State of the Kongo and the United States.

It is understood that, in accordance with the agreement arrived at between the two Governments, they regard the Consular Convention of March 9, 1880 as continuing in force with the exception of Articles 11 and 12 which are repealed.

With regard to the treaty of January 24, 1891 with the former Independent State of the Kongo, I take the liberty of calling your excellency's attention to the last paragraph but one of my note of June 29, 1916, addressed to Mr. Osborne which was for the very purpose of giving the Government of the United States notice by the King's Government of the termination of that Convention as a whole. I asked at the same time for an acknowledgment of that notice by the American Government.

The question being thus settled, the Treaty of January 24, 1891 will be deemed to have been denounced on July 1, 1916. It is understood that the provisions of that Treaty set forth in Article 5 have ceased to be operative on that same date of July 1, 1916, the other articles remaining in force for the time being.

In communicating the foregoing to your excellency,

I avail [etc.]

BEYENS

BRAZIL

File No. 711.3221

Ambassador Morgan to the Secretary of State

[Extract]

No. 795

AMERICAN EMBASSY,
Rio de Janeiro, June 5, 1916.

SIR: Referring to the Department's unnumbered instruction of May 29, 1915,³ and to the Department's telegraphic circular instruction of April 1, 1916,⁴ I have the honor to enclose a copy, both in Portuguese and English, of a note which the Brazilian Foreign Office addressed to this Embassy on May 30 last. These communications referred to the modifications which the Department suggested in the 31st article of the Treaty of Amity, Commerce and Navigation which was concluded between the United States and His Majesty, the Emperor of Brazil, on the 12th of December, 1828, on account of the Act of the United States Congress, approved March 4, 1915, entitled "An Act to protect the welfare of American seamen" etc.

The Brazilian Foreign Office, in its note above referred to, reminds the Embassy that the Treaty of December 12, 1828, "has been greatly modified since that date", and that "on December 12, 1841, all provisions which had reference to commerce and navigation were withdrawn" and only those articles remained in effect which related to peace and friendship.

Article 31 was one of those which were withdrawn.

I have [etc.]

EDWIN V. MORGAN

³ For. Rel. 1915, p. 3.

⁴ Printed ante, p. 33.

[Inclosure—Translation]

The Minister for Foreign Affairs to Ambassador Morgan

MINISTRY FOR FOREIGN AFFAIRS,

Rio de Janeiro, May 30, 1916.

MR. AMBASSADOR: I have the honor to reply, with some delay which has arisen through various unforeseen circumstances, of note No. 252 of the 26th of June last,^a in which your excellency, acting under instructions from your Government, proposes to the Brazilian Government the abrogation of Article 31 of the Treaty of Peace and Friendship, Navigation and Commerce, into which the two countries entered on December 12th, 1828.

This abrogation, as your excellency says, has become necessary in view of Articles 16 and 17 of the law which the American Congress passed on March 4, 1915, which provided that, at the expiration of certain fixed periods after they have been denounced, all clauses of the treaties which the United States and other Powers have ratified, relative to the imprisonment and reciprocal delivery of officers and sailors who shall have deserted from merchant ships, shall become null and void.

Your excellency is certainly aware that the Treaty of December 12, 1828, between Brazil and the United States of America has been greatly modified since that date for, on December 12, 1841, all provisions which had reference to commerce and navigation were withdrawn, those remaining in effect relating only to peace and friendship. Among the former were included those covered by Article 31, being inherent, by their nature, to commerce and navigation.

Under these circumstances the suggested abrogation of Article 31, will be unnecessary because, according to the above statement, it was set aside in the year 1841. It is probable that deserters from American merchant ships have been delivered to their respective consuls subsequent to that date but this has been done as a general measure of police power and at the request or petition of foreign consuls. No further constraint other than this shall be suffered by deserters from American ships.

In this case, therefore, and for the purpose which the American Government has in view, the present declaration of the Brazilian Government is sufficient and makes unnecessary any further formal action which, depending for its effect on the action of Congress would only entail further delay.

I have [etc.].

LAURO MÜLLER

CHINA

File No. 711 9321/1

Chargé MacMurray to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Peking, July 11, 1915.

May the notification of abrogation directed by Department's instruction of May 29 be explicitly confined to the second sentence of Article 18 of the Treaty of 1858, which alone concerns arrest of seamen?

MACMURRAY

File No. 711.9321/1

The Secretary of State to Chargé MacMurray

[Telegram]

DEPARTMENT OF STATE,

Washington, July 15, 1915.

Your July 11. Take no action on Department's May 29 until further instructed.

LANSING

^a Not printed.

File No. 711.9321/2

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, April 7, 1916.

Referring to circular of 1st instant, I beg to request instructions in reply to my telegram of July 11 last.

REINSCH

File No. 711.9321/2

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, April 21, 1916.

Your April 7. Address appropriate communication to Chinese Government looking to termination of only second sentence of Article 18, Treaty of 1858, relating to arrest deserting seamen.

LANSING

File No. 711.9321/3

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, June 30, 1916.

Exchange of notes effected today terminating as from tomorrow the sentences specified in your telegram April 21.

REINSCH

DENMARK

File No. 711.5921/4

Minister Egan to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Copenhagen, June 3, 1916.

253. Referring Department's circular April 1, 1916.* Foreign Office accepts the arrangement, at the same time expresses the hope in applying section 4 of the Act of March 4, 1915, the courts of the United States, in conformity with ordinary international rules, will base as far as possible their decisions concerning the crews of Danish vessels upon the hiring contract (contract d'engagement), made in Denmark, and particularly in applying the said section 4 that they will take as a basis the rules of Danish maritime law relating to the penalty consisting in loss of wages (article 102 maritime law). Danish Government expresses the hope that the details relative to the execution of the prescriptions of Section 13 of the Act, which in

* See above under Belgium.

the terms of the law will be fixed administratively by the authorities of the United States (the Secretary of Commerce), the conditions necessary for obtaining the qualifications of able seamen shall be, as far as Danish ships are concerned, validly fixed by the respective Danish authorities. This arrangement will be definitely concluded on the reception of a note of confirmation to the Danish Government on behalf of that of the United States.

AMERICAN MINISTER

File No. 711.5921/4

The Secretary of State to Minister Egan

[Telegram]

DEPARTMENT OF STATE,
Washington, June 20, 1916.

Your 253. Department not entirely clear regarding nature note of confirmation desired by Danish Government to which you refer. You may, however, state that Department is gratified Danish Government accepts arrangement proposed by this Government respecting abrogation treaty stipulations in conflict with Seamen's Act.

With reference to observations of Danish Government respecting construction by courts of United States of Section 4 of the Act, you may say that it is of course to be presumed that the courts will apply the proper law in controversies that may come before them involving the construction of this section of the act.

With respect Danish Government's observations regarding the execution of Section 13 of the Act, you may point out that regulations issued by the Department of Commerce prescribe that certificates issued to able seamen by competent authorities of the countries to which the seamen belong shall be accepted by collectors of customs as evidence that the able seamen so certified comply with the requirements of Section 13 of the Seamen's Act.

LANSING

FRANCE

File No. 711.5121/1

The French Ambassador to the Secretary of State

[Extract]

FRENCH EMBASSY,
Washington, February 14, 1916.

MR. SECRETARY OF STATE: With a note dated June 18, 1915,⁷ his excellency the Ambassador of the United States at Paris transmitted to the Ministry of Foreign Affairs of the French Republic the text of a law enacted by the Congress of the United States on March 4, 1915, and usually called the "Seamen's Act".

In compliance with the instructions he had received from the Federal Government, Mr. Sharp supplemented his communication concerning the origin of the said legislation and the motives that actuated Congress to pass that law; he concluded with a notice to the French Government, as required by the provisions of the Act, of the

⁷ In compliance with the instruction of May 29, 1915, For. Rel. 1915, p. 2.

intention of the Government of the United States to terminate Article 6 of the Treaty of June 24, 1822, and Articles 8 and 9 of the Treaty of February 23, 1853, with France, by operation of the clauses of those treaties which require six and twelve months' notice respectively. On that occasion the Ambassador of the United States explained that although the termination of part of a treaty, as required by the Act of March 4, 1915, could not be effected according to international usage, the President of the United States in the exercise of the power he deems to have been conferred upon him to put upon the law the construction contemplated by Congress, nevertheless directed him to propose an arrangement between the two Governments which would make it possible to attain the end contemplated by the Act through the abrogation or the mere omission of the articles in question. He also proposed the date of July 1, 1916, as that on which the abrogation would become operative, that is to say, a twelve-month's previous notice, so as to put the law into effect in France at the same time as in the other countries concerned.

In reply to that communication I have the honor to inform your excellency that the Government of the French Republic gladly agrees to acquiesce in a partial abrogation of our conventions with the Government of the United States which would bear only on those articles whose enforcement is inconsistent with the Act of March 4, 1915; the French Government is likewise disposed, with respect to the form of such abrogation, to exchange notes as proposed by the Government of the United States, which is the most convenient *modus operandi*. In order, however, to forestall any future erroneous interpretation, the French Government would like to be given previous knowledge of the draft of the note which would be addressed to it on the subject. * * *

Accept [etc.]

JUSSERAND,

File No. 711.5121/1

The Secretary of State to the French Ambassador

No. 1666

DEPARTMENT OF STATE,
Washington, March 7, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of February 14, 1916, wherein [etc.]

In reply I have the honor to say that your note is receiving the Department's attentive consideration.

Accept [etc.]

ROBERT LANSING

File No. 711.5121/1

[Extract]

No. 1680

DEPARTMENT OF STATE,
Washington, April 12, 1916.

EXCELLENCY: Referring to your excellency's note of February 14, 1916, in regard to the so-called Seamen's Law of March 4, 1915, and to the Department's note of acknowledgment thereof under date of March 7, I have the honor to make further reply regarding the matters referred to in these communications.

I am very glad to observe that, as stated in your note, your Government is willing to acquiesce in the abrogation by an exchange of notes of certain treaty stipulations between this Government and France which are in conflict with the Act, namely Article 6 of the Treaty of June 24, 1822, and Articles 8 and 9 of the Treaty of February 23, 1853. With reference to the statement in your note to the effect that, in order to forestall any future erroneous interpretation, the French Government would like to be given previous knowledge of the draft of the note which would be addressed to it on the subject, I may say that it would be satisfactory to this Government if your Government, in acknowledgment of the note addressed by the American Ambassador at Paris to the French Government regarding the termination of the treaty provisions in question, should express its acquiescence in this Government's proposal that these treaty stipulations be terminated.

On the other hand, should your Government desire that there be a further exchange of communications in the matter, the Department will, according to your Government's preference as to the course of procedure to be followed, either address an appropriate note to you, or direct the American Ambassador at Paris to address such a communication to the Government of France. * * *

Accept [etc.]

ROBERT LANSING

GREECE

File No. 711.6821/21

Minister Droppers to the Secretary of State

No. 118

AMERICAN LEGATION,
Athens, May 30, 1916.

SIR: I have the honor to transmit herewith copy and translation of the reply of the Hellenic Government to your request for the abrogation of Articles 12 and 13 of the Consular Convention of November 19, 1902, and a copy of my acknowledgment of the same.

The Greek Government consents to the abrogation of all provisions in Articles 12 and 13 which may be contrary to the law of March 4, 1915, except in so far as the Royal Hellenic Navy is concerned.

I presume, however, that the ships of the Royal Hellenic Navy were never meant to be included, so that this exception will be a matter of indifference to the Department.

I have [etc.]

GARRETT DROPPERS

[Inclosure 1—Translation]

The Minister for Foreign Affairs to Minister Droppers

No. 10118

MINISTRY OF FOREIGN AFFAIRS,
Athens, May 7, 1916.

MR. MINISTER: In answer to the letter which your excellency sent me on April 8 last, I have the honor to inform you that the communication of the United States Government concerning the abrogation of the provisions of

the Consular Convention of November 19, 1902, between Greece and the United States of America which are contrary to the law passed by the United States Congress on March 4, 1915, and made known to the Greek Government in Mr. Whitehouse's note of June 30, 1915, has been made the subject of a special study on the part of the services concerned and has up to the present seriously occupied the attention of the Committee on Merchant Marine.

The rules relating to the status of seamen which the Act of March 4, 1915, abrogated have, in our maritime legislation, the character of administrative provisions and constitute one of the guaranties of the proper operation of our merchant marine.

Nevertheless, in view of the legal situation created in the United States by the Act of March 4, 1915, the Royal Government, wishing to comply with the desire expressed by the Federal Government, agrees to observe in this respect the conventional rules in force between Greece and the United States and to consider, therefore, as being abrogated the special provisions of Articles 12 and 13 of the Convention of 1902 as far as they are in opposition to the new American legislation.

It is well understood that all other provisions contained in the said Articles 12 and 13, notably everything that concerns the arrest, detention, and imprisonment of deserters from the Greek Navy in the ports and waters of the United States, will continue to remain in force on the same basis and with the same validity as the other articles of the Convention of 1902.

I beg of your excellency kindly to acknowledge the receipt of the foregoing declaration, and I renew [etc.]

E. SCOULOUDIS

[Inclosure 2]

Minister Droppers to the Minister for Foreign Affairs

AMERICAN LEGATION,
Athens, May 30, 1916.

YOUR EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note No. 10113 of the 7th instant by which your excellency informs me that the Royal Hellenic Government consents to the abrogation of the special provisions of Articles 12 and 13 of the Convention of 1902 between the United States and Greece in so far as they conflict with the new American legislation of March 4, 1915.

I have duly informed my Government that the Royal Government considers it as clearly understood that the abrogation of these provisions in no way concerns the question of the arrest, detention and imprisonment of deserters from the Hellenic Navy in American ports and waters.

I have [etc.]

GARRETT DROPPERS

BRAZIL

TREATY FOR THE ADVANCEMENT OF GENERAL PEACE, CONCLUDED BETWEEN THE UNITED STATES AND BRAZIL

Signed at Washington, July 24, 1914; ratification advised by the Senate, August 13, 1914; ratified by the President, November 22, 1915; ratified by Brazil, June 22, 1916; ratifications exchanged at Washington, October 28, 1916; proclaimed, October 30, 1916.

Treaty Series No. 627

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas a Treaty between the United States of America and the United States of Brazil looking to the advancement of the cause of general peace was concluded and signed by their respective Plenipotentiaries at Washington, on the twenty-fourth day of July, one thousand nine hundred and fourteen, the original of which Treaty, being in the English and Portuguese languages is word for word as follows:

The Governments of the United States of America and of Brazil being desirous of giving another manifestation of the old friendship that binds the two countries together, and being united in the purpose of promoting the progress of civilization through peace, have resolved to enter into a special treaty for the amicable settlement of any future difficulties which may arise between the two countries, and for that purpose have appointed as their Plenipotentiaries:

The President of the United States of America, Mr. William Jennings Bryan, Secretary of State; and

The President of the United States of Brazil, Mr. Domicio da Gama, Ambassador Extraordinary and Plenipotentiary;

Who, duly authorized, have agreed upon the following articles:

ARTICLE I

The Two High Contracting Parties agree to submit to a Permanent International Commission, for investigation and report, all disputes that may arise between them concerning questions of an international character which cannot be solved by direct diplomatic negotiation, and which are not embraced by the terms of any treaty of arbitration in force between them; and they agree not to declare war or to begin hostilities pending the investigation and report of said Commission.

ARTICLE II

The Commission mentioned in the preceding Article shall be composed of five members each appointed for five years, as follows: Each Government shall designate two members, only one of whom

shall be of its own nationality. The fifth member shall be chosen by common agreement between the two Governments, it being understood that he shall not belong to any of the nationalities already represented in the Commission.

The fifth member shall perform the duties of President.

Either Contracting Party may remove at any time, before investigation begins, any commissioner selected by it, appointing his successor on the same occasion. Likewise, each Government shall also have the right to withdraw its approval of the fifth member; in which case the new fifth member will be appointed within thirty days following the notification of the withdrawal, by common agreement between the two Governments, and failing this agreement, the President of the Swiss Confederation shall be requested to make the appointment.

The expenses of the Commission shall be paid by the two Governments in equal proportions.

The Commission shall be constituted and shall be ready for business within six months after the exchange of ratifications of the present treaty.

At the expiration of each period of five years, the Commissioners may be reappointed or others may be substituted for them.

Any vacancy shall be filled in the same manner as the original appointment.

The Commission shall make its own rules of procedure.

ARTICLE III

In the case of failure to agree upon the diplomatic solution of a dispute concerning a question of an international character, the Two High Contracting Parties shall submit it to said Commission, for investigation and report. The convocation of the Commission may be made by either Contracting Government. The Commission shall by preference sit in the country in which there are the greater facilities for the study of the question, and the High Contracting Parties shall furnish all the means to that end. The report of the Commission shall be presented within a year counted from the date at which the Commission shall declare that its work is begun, unless a prolongation of the time shall be accorded by both Parties. This report, which is purely advisory and does not bind the Contracting Parties as to the question at issue, shall be prepared in triplicate, each Government being furnished with a copy and the third kept in the files of the Commission.

ARTICLE IV

After presentation of the report to both Government's six months' time will be given to renewed negotiations in order to bring about a solution of the question in view of the findings of said report; and if after this new term both Governments should be unable to reach a friendly arrangement, they will proceed to submit the dispute to arbitration under the terms of the Convention in force between them, if such convention covers the question or questions investigated.

ARTICLE V

The present treaty shall be ratified by the Two High Contracting Parties according to their national Constitutions, and the ratifications shall be exchanged as soon as possible. It shall take effect immediately after the exchange of ratifications and shall continue in force for a period of five years, and it shall thereafter remain in force until twelve months after one of the two High Contracting Parties have given notice to the other of an intention to terminate it.

The strict and honest fulfillment of the foregoing clauses is intrusted to the honor of the signatory nations.

In witness whereof, the respective Plenipotentiaries have signed the present treaty and have affixed thereunto their seals.

Done in Washington, on the 24th day of July, in the year nineteen hundred and fourteen.

WILLIAM JENNINGS BRYAN [SEAL]
DOMICIO DA GAMA [SEAL]

And whereas the said Treaty has been duly ratified on both parts, and the ratifications of the two governments were exchanged in the City of Washington, on the twenty-eighth day of October, one thousand nine hundred and sixteen;

Now, therefore, be it known that I, Woodrow Wilson, President of the United States of America, have caused the said Treaty to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this thirtieth day of October in the year of our Lord one thousand nine hundred and sixteen, and of the Independence of the United States of America the one hundred and forty-first.

[SEAL]

WOODROW WILSON

By the President:

ROBERT LANSING,
Secretary of State

ABROGATION OF PROVISIONS OF CERTAIN TREATIES CONFLICTING WITH THE SEAMEN'S ACT OF MARCH 4, 1915.—STATEMENT BY BRAZIL OF STATUS OF TREATY PROVISIONS

(See Belgium.)

CHILE

TREATY FOR THE ADVANCEMENT OF GENERAL PEACE, CON- CLUDED BETWEEN THE UNITED STATES AND CHILE

Signed at Washington, July 24, 1914; ratification advised by the Senate, August 20, 1914; ratified by the President, November 11, 1915; ratified by Chile, November 9, 1915; ratifications exchanged at Washington, January 19, 1916; proclaimed, January 22, 1916.

Treaty Series No. 621

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas a Treaty between the United States of America and the Republic of Chile looking to the advancement of the cause of general peace was concluded and signed by their respective Plenipotentiaries at Washington, on the twenty-fourth day of July, one thousand nine hundred and fourteen, the original of which Treaty, being in the English and Spanish languages, is word for word as follows:

Treaty for the Settlement of disputes that may occur between the United States of America and Chile.

The President of the United States of America and the President of the Republic of Chile being desirous to secure in the most effective way the amicable settlement of any future difficulties between both countries and the subsequent maintenance of peace and good amity between them, have resolved to enter into a special treaty for that purpose, and to that end have appointed their Plenipotentiaries as follows:

The President of the United States of America, His Excellency William Jennings Bryan, Secretary of State of the United States; and

The President of the Republic of Chile, His Excellency Edwardo Suárez Mujica, Envoy Extraordinary and Minister Plenipotentiary of Chile to the United States of America;

Who, after having communicated to each other their respective full powers, found to be in proper and due form, have agreed upon and concluded the following articles:

ARTICLE I

The High Contracting Parties agree that all disputes that may arise in the future between them, shall, when diplomatic methods of adjustment have failed, be submitted for investigation and report to an International Commission to be constituted in the manner prescribed in the next succeeding article; and they agree not to declare war or begin hostilities during such investigation, nor before all resources stipulated in this treaty have proved unsuccessful.

ARTICLE II

The International Commission shall be composed of five members, to be appointed as follows:—Each Government shall designate two members, only one of whom shall be of its own nationality. The fifth member shall be chosen by common agreement between the two Governments, it being understood that he shall not belong to any of the nationalities already represented on the Commission. The fifth member shall perform the duties of President.

Each of the High Contracting Parties shall have the right to remove, at any time before investigation begins, any Commissioner selected by it and, conjointly, the nomination of the successor, or successors, must be enacted. Likewise, either Government shall also have the right to withdraw its approval of the fifth member; in which case the new fifth member will be appointed within thirty days following the notification of the withdrawal, by common agreement between the two Governments, and such agreement lacking, the appointment will be made by the President of the Swiss Confederation.

The vacancies that may occur through other causes than those already named, will be filled as mentioned in this article.

The International Commission shall be constituted within the four months following the exchange of the ratifications of this treaty, and shall notify both Governments of the date of its organization. The Commission will establish its own regulations. The resolutions of the Commission, as well as its final report, will be adopted by the majority of its members.

The expenses of the Commission shall be paid by the two Contracting Governments in equal proportion.

The Commission shall determine the country wherein it will sit, taking into consideration the greater facilities for the investigation.

ARTICLE III

In case that, as established in Article I, the High Contracting Parties shall have failed to adjust the difficulty by diplomatic methods, said difficulty will be immediately submitted to the International Commission for its investigation and report. The convocation of said Commission may be made by either contracting Government.

The High Contracting Parties agree to furnish the Permanent International Commission with all the means and facilities required for its investigation and report.

The report of the International Commission shall be completed within one year after the date on which it shall declare its investigation to have begun, unless the High Contracting Parties shall extend the time by mutual agreement. The report shall be prepared in triplicate: one copy shall be presented to each Government and the third retained by the Commission for its files.

ARTICLE IV

Once the report in possession of both Governments, six months' time will be available for renewed negotiation in order to bring about a settlement of the difficulty in view of the findings of said report; and if even during this new term both Governments should be unable to reach a friendly arrangement, the dispute will then be submitted to the Permanent Court of Arbitration established at The Hague.

Notwithstanding, any question that may affect the independence, the honor or the vital interests of either or both of the countries, or the provisions of their respective Constitutions, or the interests of a third nation, will not be submitted to such or any other arbitration.

A special and previously agreed convention will detail, if arbitration is resorted to, the matter of the controversy, the extent of the Arbiters' powers, and the length of time to which the Court of Arbitration must subject its organization and procedure, including the presentation of memorials, proofs, and pleas.

ARTICLE V

The present treaty will be ratified by both Governments after obtaining its approval by the Constitutional Powers of both countries, and the ratifications shall be exchanged in Washington as soon as possible.

The special convention prescribed by the final paragraph of Article IV remains also subject to the constitutional requisites of both countries.

The present treaty shall take effect immediately after the exchange of the ratifications; and shall continue in force for a period of five years, and it shall thereafter remain in force, during successive periods of five years, until one of the High Contracting Parties have given notice to the other of an intention to terminate it.

In witness thereof the respective Plenipotentiaries have signed the present treaty and have affixed thereunto their seals.

Done in Washington, on the 24th day of July, in the year nineteen hundred and fourteen.

WILLIAM JENNINGS BRYAN [SEAL]
ED: SUÁREZ MUJICA [SEAL]

And whereas the said Treaty has been duly ratified on both parts, and the ratifications of the two Governments were exchanged in the City of Washington, on the nineteenth day of January, one thousand nine hundred and sixteen;

Now, therefore, be it known that I, Woodrow Wilson, President of the United States of America, have caused the said Treaty to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twenty-second day of January in the year of our Lord one thousand nine hundred and sixteen, and of the Independence of the United States of America the one hundred and fortieth.

[SEAL]

WOODROW WILSON

By the President:

ROBERT LANSING

Secretary of State

CHINA

AGREEMENT BETWEEN THE UNITED STATES AND CHINA EXTENDING TIME FOR APPOINTMENT OF THE COMMISSION UNDER ARTICLE 2 OF THE TREATY OF SEPTEMBER 15, 1914, EFFECTED BY EXCHANGE OF NOTES

Treaty Series No. 619-A

The Secretary of State to the Chinese Minister

DEPARTMENT OF STATE,
Washington, May 11, 1916.

SIR: It not having been found feasible to complete the International Commission provided for in the treaty of September 15, 1914, between the United States and China for the advancement of the general cause of peace, I have the honor to suggest, for the consideration of your Government that the time within which the organization of the Commission may be completed be extended by an exchange of notes from April 22, 1916, to August 1, 1916.

Your formal notification in writing that your Government receives the suggestion favorably will be regarded on this Government's part as sufficient to give effect to the extension, and I shall be glad to receive your assurance that it will be so regarded by your Government also.

Accept [etc.]

ROBERT LANSING

The Chinese Minister to the Secretary of State

CHINESE LEGATION,
Washington, May 19, 1916.

SIR: I have the honor to acknowledge the receipt of your note of the 11th instant, in which you are good enough to suggest, for the consideration of my Government, that the time within which the organization of the International Commission provided for in the Treaty of September 15, 1914, between China and the United States, for the advancement of the general cause of peace may be completed, be extended by an exchange of notes from April 22, 1916, to August 1, 1916.

I am authorized by my Government to inform you in reply that my Government is pleased to accept this suggestion of your Government and accordingly regards the extension of time from April 22, 1916, to August 1, 1916, for the organization of the Commission as effective by this exchange of notes.

Accept [etc.]

VI KYUEN WELLINGTON KOO

POLITICAL AFFAIRS¹—MOVEMENT TO RESTORE MONARCHICAL GOVERNMENT IN CHINA. SECESSIONIST AND REVOLUTIONARY MOVEMENTS. CONVOCATION AND ASSEMBLY OF PARLIAMENT

File No. 893.01/64

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, January 3, 1916, 7 p. m.

The situation is regarded as more serious from the point of view of the Central Government. While no systematic organization of the opposition has as yet been created outside of Yunnan and Kweichow the continued existence of disaffection is likely to encourage opposition elsewhere. Yangtze merchants lately quite in favor of the monarchy are now blaming the Central Government for the prevalent business depression. Feng Kuo-chang, while loyal to the President, impliedly reserves independence of action. The fatalistic unanimous opinion which hitherto favored the President may work to his disadvantage should the disaffection show positive strength.

REINSCH

File No. 893.00/2348

Minister Reinsch to the Secretary of State

No. 876

AMERICAN LEGATION,
Peking, January 3, 1916.

SIR: I have the honor to transmit herewith copies of articles published in the *Peking Gazette* of December 29, 30, and 31,² dealing with the situation in Yunnan; as well as copies of despatches from the consular offices at Nanking and Hankow on this subject.²

The movement in Yunnan follows the plan originally conceived by the revolutionaries in 1911, but not followed out then because of the unexpected suddenness of the rising in the central provinces. The plan is based upon the idea that, by controlling a province inaccessible and difficult to subdue, a center is established for radiating influences hostile to the Peking Government to the end of gradually gaining over more and more provinces. By thus cutting down the income of the Central Government, it is believed that it can be reduced to the necessity of negotiating with the armed opposition.

In the present situation, two principal features enter:—the personal unpopularity of Yuan Shih-kai, and fear of Japan. The preparatory steps towards the adoption of the monarchical régime were so successful because no one desired to raise that opposition which it was believed would bring on interference on the part of Japan. To this there must be added the general apathy of the masses of the Chinese people as to any question of political organization, and the fact that the Chinese are naturally conformists to any movement that seems to have official sanction.

¹ Continued from For. Rel. 1915, p. 44.

² Not printed.

The men who have begun the movement of opposition in Yunnan count primarily upon the lack of enthusiasm for Yuan Shih-kai. But it does not appear that a widespread organization, including the leaders in the southern and central provinces, has been effected. Tsai Ao, the leader in the movement, is universally considered a man of unusual intelligence and administrative ability. He also has the gift of personal leadership, which brought the adhesion of the Yunnanese to his movement, as they had been his enthusiastic supporters when he was *tutu* (military governor) of that province. As Yunnan is inaccessible, it may be possible for the secessionist government to maintain itself there for a long time.

Should the movement make headway in the southern and central provinces, it would seem that one of two alternatives would result: either Yuan would have to compromise, retrace his steps, and retain the presidency with greatly curtailed powers and an important development of decentralization; or, should he develop and use considerable military strength in the north, the long-threatened division of China might be brought about.

Hitherto the reports received by the Legations in Peking do not indicate either that there is a systematic plan of cooperation embracing the southern provinces, or that the movement is spreading from Yunnan by its own force. Thus far, the *chiang chuns* (military governors) and governors are reported loyal and there are only a small military revolt in Nanking and the proclamation of martial law in Kweichow which constitute concrete indications of a spread of the opposition movement. The mutiny at Nanking may, however, have purely local causes.

Conditions in the Yangtze Valley up to date do not indicate the existence of a powerful organized opposition there. It is true the business men in Shanghai and at up-river ports are inclined to blame the Peking Government for the continued depression in trade, but these same merchants only three months ago were quite strongly in favor of the monarchical movement, as they believed that it would give stability to commercial affairs.

A great deal will depend upon the attitude of General Fêng Kuo-chang, military governor of Kiangsu, General Chang Hsun, and Chu Jui, military governor of Chekiang. General Fêng cannot be said to be at present an enthusiastic Yuan man, being apparently displeased with some actions of the President of late; but he is still loyal to the President and is holding the central position in the Yangtze for him. Having avoided entirely committing himself to the side of the President through declining to accept the position of chief of staff, General Fêng Kuo-chang remains in an independent position, so that conceivably he might espouse the cause of the opposition and make himself its arbiter if it were to become sufficiently formidable. It is believed in Shanghai that there is a certain understanding among the three men mentioned above, and that they expect to hold the balance of power in the Yangtze region in an expectant attitude as to the development which affairs will take. This belief, however, is strongest among those who are somewhat favorably inclined to the opposition movement and may not represent an actual accomplished fact in the relations of these three important leaders.

In Canton, a great deal depends upon General Lung Chi-kwang, who appears to be loyal to the President. Should he be removed by assassination, it might be difficult to control affairs in Kwangtung for there are some strong, though unorganized, elements of opposition there.

The situation is beginning to show some serious aspects from the point of view of the interests of the President. It is possible that he may soon be face to face with a decisive crisis. He is still well supplied with money, as the salt revenue produces a surplus of between \$5,000,000. and \$6,000,000. a month, but if the opposition movement spreads he will as in 1913, need outside financial assistance. The \$10,000,000. loan is again being discussed with the foreign banks. Should the movement of opposition gain in volume, important international factors would inevitably be introduced into the situation.

I have [etc.]

PAUL S. REINSCH

File No. 893.00/2339

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Peking, January 11, 1916, 8 p. m.

Canton, Nanking, Chunking, reported quiet although the Yunnanese revolutionists are attempting military operations against South. There is some reason to believe that revolutionary movement is over.

REINSCH

File No. 893.00/2349

Minister Reinsch to the Secretary of State

No. 892

AMERICAN LEGATION,

Peking, January 15, 1916.

SIR: Supplementing my despatch No. 876 of the 3d instant, relative to political conditions in China, I have the honor to enclose for the information of the Department, copies of further reports from various consular offices,² also cuttings from the *Peking Gazette* of January 7 and 10,² giving translations of telegrams which have passed between the Central Government and the local authorities of various provinces, concerning the Yunnan movement, together with a report of the action taken by the *Tsan Cheng Yuan* (Council of State). There is also transmitted the substance of telegrams received from the Consulates at Nanking (January 8, 1 p. m.), and Changsha and Canton, dated January 14, 11 a. m. and p. m., respectively; together with a copy of a wireless message received on the 11th instant from the Commander-in-Chief of the U. S. Asiatic Fleet.²

From all these papers, it appears that the official view of the situation remains optimistic. There has been no further defection of mili-

² Not printed.

tary governors, and the military organization as a whole seems to remain loyal to the President. It is evident that the revolutionaries have been but moderately supplied with funds wherewith to purchase the adherence of Government troops. The governors of the different provinces report that they have the situation well in hand, and that they feel confident of their ability to suppress local disorders. The official reports from Yunnan itself indicate that the province is far from being united in the revolutionary cause, and that there are factional struggles going on. The Province of Kweichow, which, during the first days of the movement, was generally believed to be associated with Yunnan, has maintained a more or less neutral attitude: the notables of the province have addressed both the Yunnanese and the Central Government with the request that no troops might be sent into Kweichow, and the military governor has remained loyal, although he has only small forces at hand.

More or less serious local disturbances have taken place in Kwangtung, where native customhouses have been attacked at two points and outbreaks have occurred at several other places: these instances are, however, too sporadic and disconnected to warrant the conclusion that a widespread and systematic revolutionary organization exists, even in Kwangtung.

In the lower Yangtze region quiet has thus far been maintained, with the exception of isolated attempts at assassination and train-wrecking. There is indeed in the Yangtze provinces an undercurrent of strong dissatisfaction with the personal Government of His Excellency Yuan Shih-kai. The men of moderate views in this region, where there is a high level of intelligence and business capacity, feel that the Yuan régime has not succeeded in producing any concrete betterment in national affairs. These moderates are not, however, inclined at the present time to join the radicals in a revolutionary movement: for the sake of peace and normal conditions, they are willing to allow the empire to be established, with the expectation that the Central Government will then address itself to constructive work. While, therefore, the moderates have no enthusiasm for Yuan Shih-kai, they are willing to suffer the change in the hope that improvement may come and under the certain belief that resistance at the present time would bring more evil than good.

Thus, it would seem that the revolutionary movement in Yunnan has not passed beyond the stage of a personal revolt against His Excellency Yuan Shih-kai of a few prominent and able military leaders. The fact that in the three weeks since its start the movement has not spread, would appear to indicate that there had been no systematic organization among the military leaders of different provinces for cooperation. The sporadic outbreaks in Kwangtung and the activities of robber bands in northern Shansi and on the Mongolian frontier, while encouraged by the feeling of uncertainty now existing, cannot be considered as part of a large organized political movement. The Canton disturbances appear to be due to lawless elements who would at any time be ready to take advantage of official weakness; while the raids on the Mongolian boundary are the result of conditions there existent for some time.

Under the circumstances, the representatives of the Powers in Peking, with whom I have discussed this matter, have expressed the feeling that a delay of recognition of the monarchical government would subserve no useful purpose, but would serve only to encourage further disturbances on the part of irresponsible elements. If there were evidence of the existence of a large republican party, governed by definite views of public policy, and led by responsible and able men, everyone would desire to have them given a chance to establish and maintain their ascendancy in the Government, but no such organization has thus far made its appearance.

I have [etc.]

PAUL S. REINSCH

File No. 893.01/68

Minister Reinsch to the Secretary of State

[Telegrams]

AMERICAN LEGATION,

Peking, January 19, 1916, 9 p. m.

The Yunnan revolt has not spread but retains the character of a local opposition of a few military leaders against Yuan personally. Yangtze ports and Canton report everything quiet. There is sporadic agitation by radicals but no serious organized opposition. The moderates everywhere desire no commotion at this time.

It is probable that the change in the form of state will soon be announced together with a specific declaration of policy, including immediate convocation of a constitutional convention, creation of a representative assembly and a cabinet, immediate liberal provision for public education and taxation reform. No further titles of nobility are to be awarded. Those already given are to be treated as military honors. Progressive element in the cabinet is in full control of policy of this Government.

Neutral Ministers agree that recognition upon announcement of the change is warranted by actual authority of Government and made advisable as avoiding possible irresponsible plotting which at present could not result in constructive organization but only in bloodshed and disturbance.

Should no material change occur and should I not receive further instructions I shall carry out your instructions of December 21st, 3 p. m.³ after the change has been announced.

All the European Legations fear that should the state of uncertainty be prolonged and serious unrest result, Japan would again intervene.

REINSCH

File No. 893.01/75

AMERICAN LEGATION,

Peking, January 29, 1916, 5 p. m.

The Ministers of Spain, the Netherlands, Sweden, Portugal and Denmark signified their readiness cooperate in the recognition of the Imperial Government. Nevertheless I did not intimate to the

³ For. Rel. 1915, p. 79.

Chinese Government likelihood of recognition, because, while many reasons speak for ready recognition of a good government representing the only adequate organization at present in sight and animated by progressive ideas of policy, yet it seems necessary to allow the authority of the government in the South to be more fully tested. The decision was rendered difficult because delay and uncertainty would probably encourage the opposition and give scope to unfavorable outside influences.

The Government on January 22 announced that no date had been set for accession. During the week Yunnan forces advanced into Southern Szechuan where the situation remains uncertain. In order to obtain a more accurate view of the situation in the South, I authorized the military attaché to proceed to the Yangtze Valley and the naval attaché to Canton and eventually to Yangtze.

Please inform respective Departments.

REINSCH

File No. 893.01/88

Minister Reinsch to the Secretary of State

No. 931

AMERICAN LEGATION,
Peking, February 9, 1916.

SIR: I have the honor to report that, as an engagement had been made for me to see the President on Thursday, January 20th last, I took occasion at that time to present to His Excellency the message from the President of the United States, communicated in your telegram of January 17, 5 p. m.* President Yuan Shih-kai received this courtesy with a warm expression of his appreciation of the friendship of the American President, Government and Nation.

I also have the honor to enclose, for your information, a memorandum of a conversation, concerning a constructive policy for China, which took place on the occasion of this visit; together with a copy of an informal memorandum, regarding the use of foreign experts in the Chinese administration, which I dictated at the request of President Yuan and for his use, to embody the substance of part of the conversation.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1]

Memorandum of conversation between His Excellency, President Yuan Shih-kai and the American Minister on January 20, 1916

After communicating to President Yuan the message of President Wilson, and receiving a warm expression of his cordial appreciation thereof, the conversation turned upon the need of a constructive policy, energetically pursued, in order to gain the support of all parts of China and to render the Government efficient. The American Minister expressed quite frankly the impression which he had gained from confidential reports from the south and center of China, that there was widespread dissatisfaction with the Government: he stated that, in his opinion, the only way to overcome this feeling lay in the early creation of a representative Parliament, and the pursuance of a truly

*Reply of President Wilson to President Yuan's congratulation on the occasion of President Wilson's marriage. Not printed.

constructive policy in the public administration. The President stated that the Committee that was engaged in drawing up a Constitution was following the injunction of President Goodnow that the Constitution of an Oriental State should be adapted to the character and the traditions of its people, and that, for that reason, he had designated Professor Ariga, the Japanese Adviser, to assist the Committee on the Constitution with systematic suggestions. The President expressed himself as fully convinced of the necessity of the early formation of a Parliament, and he signified assent when the American Minister dwelt on the two-fold usefulness of a Parliament in a modern State, as a source of information through which the Government could ascertain the real needs and desires of the public and as an organ through which the measures of the Government, after full discussion, could be explained and rendered acceptable to the people, thus gaining for the Government a broad basis of support. While the President is always inclined to hark back to the failure of the first Parliament, he has apparently become convinced of the necessity of instituting a legislative body with real power and responsibility, from which, however, it is likely that he would desire to withhold full budgetary authority, as is the case in Japan.

The conversation then turned upon methods of administrative efficiency, especially auditing and accounting reform, and the need of thoroughly overhauling the system of taxation, with due regard to simplifying the forms and guarding the incidence so as not to discourage the development of commerce. The President was inclined to fall back on the usual argument that as long as China was not permitted to raise a larger amount of revenue through import duties, a thorough reform was impossible and the Government was forced, through its necessities, to take recourse to every available form of taxation. He admitted, however, the faultiness of the present system, and agreed that a thorough reform of the land tax, together with a simplified system of consumption and stamp taxes should be established, with a view to eliminating all taxation on the movements of commerce within the country which now does so much to retard development. The importance of a great practical program of improvements in the fundamental conditions of life, through the building of more railways and better roads, through the development of forestry and agriculture, and the reclamation of various areas subject to floods, was then touched upon.

The conversation then turned upon the use of foreign experts in China. The American Minister stated that the failure of the foreign-educated Chinese to make the most of their education for the benefit of China lay in the fact that when they returned from abroad they did not find in responsible positions any men trained in the practical administration of public and economic affairs, according to modern standards of science and efficiency. Therefore, having only a theoretical education in so far as its application to China is concerned, they were unable to do really efficient service. The remedy must be sought in using high class foreign experts in all the technical branches of the administration: such as accounting and auditing, railway administration, mining, and scientific agriculture. These men should be animated with a desire to serve China and to train the younger Chinese for leadership in efficient administrative work. A further summary of this part of the conversation is contained in a separate memorandum.

(His excellency, Mr. Liang Tun-yen, Minister of Communications, stated to Mr. Reinsch subsequently that the President had fully discussed the matter of employment of foreign experts in a cabinet meeting early in February.)

[Inclosure 2]

*Memorandum on the use of foreign experts by the Chinese Government
The Need:*

The efficient organization of the methods and processes of the Chinese Government, and the training of younger officials in these methods of efficiency require the presence in the Chinese administration of thoroughly trained foreign experts. There is no other way in which the Chinese administration can be organized to fulfil the needs of modern government, and thus to preserve the power and integrity of the Chinese State. Foreign experts serving in

China should be devoted primarily to the interests of the Chinese Government and should aim to educate men among the younger and older officials to take the place of such foreign experts in the shortest possible time.

The Use of Experts:

In order that definite and fruitful use of experts may be made, the following method is suggested: Foreigners are employed for various purposes under the designation of "Foreign experts in the service of the Chinese Government." When the qualifications of such an expert have been ascertained, he will be assigned by special order, which may be confidential, to give his attention and assistance primarily to a certain official, ministry, department or bureau. He is provided with a good interpreter, and is held responsible for seeing that the affairs of the bureau to which he is assigned are conducted in accordance with the standards of modern administrative efficiency. The Chinese official in charge, to whom he is assigned, would be instructed to invite the full cooperation of the foreign expert, to discuss with him all matters of organization, work and personnel, and to accept his mature advice unless specific reason could be assigned for not so doing. The foreign expert will receive instructions to cooperate in the same complete and frank way with the official in charge and, at stated intervals, to make a report on the organization and workings of the department to the Ministry, the Secretary of State, or the Head of the State himself.

In this manner great assistance might be rendered, for instance: in the organization of municipal services, the stamp tax, the land tax, electric water power, river conservancy, codification of laws, systematic accounting, technique of railway management, etc.

Result:

Official responsibility and efficiency will be developed. The official in charge knows China, its special conditions and needs; the expert knows methods of efficiency necessary in modern government. The combination of the two will give to the Chinese Government the organization it requires. Younger officials will be trained.

Direct Employment of Foreigners:

Foreigners may also be employed directly, as Chinese executive officials. Foreigners knowing China and the Chinese language intimately, and having the other necessary qualifications may be employed directly with good results as officials in various departments. Technical experts, dealing with details of scientific method and management could be employed in subsidiary positions as, for instance, mechanical and mining engineers, mint assayers, health experts, etc.

Method of Employment:

The experts should not owe their appointment to the foreign Legations at Peking, nor feel any special responsibility towards them, although in special cases the Legations might be consulted. The following would recommend itself as a general system for selecting experts: The Chinese Legations in the capitals of the principal countries should put themselves in touch with the great institutions of learning and technical associations (such as engineering associations, associations for economic and statistical work, etc.). The Legation should endeavor to discover men of exceptional training, with a spirit of devotion to their work and an interest in the welfare of China. Such men should have in all cases the recommendation of the first authorities in their respective subject or line of work. When the Legation has satisfied itself on these points, it should notify the home Government of its selections, who might then be employed as occasion demanded. The Government might also have in Peking a number of trusted foreigners in high positions, who might be informally consulted as to the character and qualifications of men considered for expert service. In some countries there are organizations such as, for instance, the Carnegie Endowment for Peace at Washington, which have the means of being helpful to the Chinese Government in making proper selections.

File No. 893.00/2362

Minister Reinsch to the Secretary of State

No. 947

AMERICAN LEGATION,
Peking, February 23, 1916.

SIR: Supplementing my despatch No. 918 of the 2d instant, I have the honor to transmit herewith copies of despatches from various consular offices in China further reporting on political conditions in their respective districts.² It has been impossible for me to report to the Department important information which has from time to time reached me concerning the undercurrents in Chinese politics, both at Peking and in the provinces, because I do not venture to trust this information to the mails; while to send it by cable might be considered by the Department unjustifiable from the point of view of the considerable expense it would occasion. I must, therefore, limit myself to giving in the cablegrams the resultant of a great deal of information which I am prevented from reporting specifically. Should the Department desire to have me give details more fully, I have the honor to request instructions to that effect.

There is no doubt that the authority of His Excellency Yuan Shih-kai has been further weakened both through the delay in expelling the Yunnanese from Szechuan and through the failure on the part of the President to announce a definite policy with respect to the Constitution.

When the unusual difficulties connected with the transport of troops up the Yangtze River at this season of the year, and through the mountainous regions of Szechuan and Kweichow are considered, it is, from a military point of view, not remarkable that greater progress has not been made; in fact, the problem of river transportation seems to have been solved with great efficiency. In this connection, I have the honor to enclose clippings from the *Peking Gazette* of February 17 and 19,² concerning the topography of the provinces affected by the rebellion and the punitive expedition against it, indicating the difficulties with which the military forces of the Government have to contend. Still, the fact of long-continued and spreading disaffection against the Head of the State is bound to tell, especially in China where so much depends upon prestige.

Reports from other provinces also indicate that the strong undercurrent of ill will against Yuan Shih-kai is beginning to come to the surface here and there. The situation is particularly doubtful in Hunan and in the two southern-most provinces, Kwangsi and Kwangtung. On February 19 the *yamen* of the military governor at Changsha was attacked and the feelings of the public there seem to be much excited. It is not at all certain how far the military governor, Tang Hsiang-ming, himself, could be relied upon in a crisis, as it is believed that his own sentiments are with the republicans. It is reported that the Chamber of Commerce of Kwangsi has requested the Central Government not to send any troops into that province; this step points to a situation resembling the neutrality of semi-independence of Kweichow Province. To all these uncertainties there must also be added, as an important personal factor,

² Not printed.

the resentment which is cherished against Yuan Shih-kai by both Feng Kuo-chang and Chang Hsun, because of indications which they have that the President set them to watch each other.

With all these uncertainties, there remain the fundamental facts that the moderates do not desire an armed movement of opposition at the present time, because of the fear of Japanese intervention, and that there exists among the most prominent leaders in Central and North China a tacit understanding favorable to the maintenance of peace and order in these regions until the question in dispute can be permanently settled.

It is doubtful whether His Excellency Yuan-kai yet comprehends the strength of the opposition. In my opinion, it is not too late for him to win hearty support in the central provinces by giving an absolute assurance of a constitutional régime, implying a devolution of large portions of his present dictatorial power to a cabinet and parliament, together with the granting of a definite measure of self-government to the provinces. Whether he is capable of realizing the necessity of such a policy and of formulating it in a practical way, is still doubtful. But unless such action can be taken within the next few weeks, or at least the leaders can be assured that such will be the tendency of his policy under the new régime, it is to be expected that the opposition will increase rather than lessen. The return to a monarchy of the old type is plainly impossible, and even if it should be attempted, could be successful under the most favorable circumstances only for a short time.

I have [etc.]

PAUL S. REINSCH

File No. 803.01/90

Minister Reinsch to the Secretary of State

No. 955

AMERICAN LEGATION,
Peking, February, 24, 1916.

SIR: I have the honor to report that on the occasion of a call upon His Excellency President Yuan Shih-kai, on February 16, I discussed with him, among other things, the subject of constitutional guaranties. More especially, I made inquiries concerning his policy with respect to the powers to be delegated to the cabinet and to the parliament. A memorandum of the conversation, drawn up by the Chinese Secretary of the Legation, is herewith transmitted.²

Many of the most experienced observers of Chinese affairs have come to the conclusion that the only chance of maintaining a central government, recognized by all the provinces, and of avoiding a disastrous conflict and eventual foreign interference, is for the President to make a definite and conclusive declaration of policy, including the firm establishment of an honest and straightforward constitutional system. This view is shared by the Ministers most familiar with and best disposed towards China, as are, for instance, the Ministers of Great Britain, the Netherlands, and Austria-Hungary.

I was subsequently informed by one of the Ministers of State that the President had discussed the question of an early convocation of

² Not printed.

parliament with his Council of State; that it had been considered by the Ministers desirable to undertake this measure and that a commission had been charged to ascertain whether, under the existing laws, the members elected for the Citizens (Constitutional) Convention could be summoned as a parliament, or whether a new election would be necessary. There is herewith enclosed an editorial from the *Peking Daily News* of today,² which is a semi-official paper, reporting that the cabinet has been ordered to meet once a week under the presidency of the Secretary of State, without the presence of the emperor. This and the other reports discussed in the editorial indicate that the establishment of true constitutionalism is occupying the President and his chief advisers. There is also enclosed a translation of a mandate, published in today's *Peking Daily News*, in which the accession to the throne is indefinitely postponed.

I have [etc.]

PAUL S. REINSCH

[Inclosure]

(From the *Peking Daily News*, February 24, 1916.)

The following mandate, issued last night, shows the decision of the *Ta Huang Ti* to postpone the date of accession until some more favourable time in future:

Every day we have received memorials and telegrams from various civil and military officials, representatives of the citizens of the country, various legal bodies and individuals requesting us to ascend the Great Throne at an early date. Although patriots have expressed their desires to devise means for permanent peace and a good Government, it is the duty and responsibility of those managing the affairs of the State to study the general situation of the country. At present Yunnan and Kweichow have raised disturbances, bringing consternation to the peaceful inhabitants and in Western Hunan and Southern Szechuan where the robbers have made their raid, the people have been scattered and driven away from their daily occupations. It is indeed an agony to hear the story of their miserable condition, and we cannot enjoy our sleep and food. Moreover, wicked men have put forth all kinds of rumors and false reports to deceive the people. My original desire to save the nation and the people has been made a pretext for the ambitious men to contend for wealth and power. My heart will not feel at ease if I should ascend the Throne at this time; therefore I have decided that the accession should be postponed. All the patriotic officials, scholars and people should therefore have sympathy with my difficult position; and it is hereby ordered that hereafter all the memorials and telegrams in connection with the request for accession should not be transmitted to us.

File No. 893.00/2363

Minister Reinsch to the Secretary of State

No. 956

AMERICAN LEGATION,
Peking, February 24, 1916.

SIR: In continuation of my despatch No. 947 of yesterday's date, I have the honor to enclose further correspondence.² In these communications rumors with respect to Japanese activities encouraging the revolutionary movement are mentioned: such rumors and detailed facts pointing in the same direction are reported from all parts of China. They take many forms.

² Not printed.

The Chinese have especial reason to complain of the unfounded and exaggerated statements which are constantly being sent out through the Japanese press: such are the statements of extended disaffection in Kirin Province mentioned in the enclosed despatch (No. 113) from the Consulate-General at Mukden.² Similar alarmist reports, largely unfounded, are sent through Japanese sources from all parts of China; from Peking, palace revolts and apoplectic strokes of the emperor-elect are the normal order of the day. Rumors are also spread designed to undermine the credit of the Chinese banks, as described in the enclosed article from yesterday's *Peking Daily News*.²

In all parts of China revolutionary agitators are taking advantage of Japanese extraterritorial communities and of the hospitality of Japanese to find a safe refuge from which to manipulate their agitations. It is also believed that large amounts of money are supplied from Japanese sources, although there is no proof of this. As the Japanese have so much to gain from disturbances and unrest in China, it is quite natural that public belief should credit them with widespread and active intrigue, for which, indeed, past experience offers precedents and towards which a large number of isolated details point.

I beg also to enclose copies of articles, published in the *Peking Gazette* of February 22 and 24,² concerning activities in the disaffected provinces.

I have [etc.]

PAUL S. REINSCH

File No. 893.01/91

Minister Reinsch to the Secretary of State

[Extract]

No. 957

AMERICAN LEGATION,
Peking, February 24, 1916.

SIR: In connection with my telegram of January 29, 5 p. m., I have the honor to make the following report:

During the early part of January, when the matter of the formal proclamation of the monarchy was being discussed, I was informed by leading Chinese officials that this act would be accompanied by the promulgation of a constitution guaranteeing a representative parliament; or, at least, that a formal and explicit declaration would be made to the effect that the institutions under the monarchy were to include a parliament representative of the people, elected by popular suffrage with a selective qualification, and entrusted with full liberty of discussion and a certain power of financial and general legislation. I was also informed that at the same time a constructive program of governmental action, including financial reform, simplified methods of taxation, large works of public usefulness (such as reclamation and road building), and measures designed to develop agriculture and industry, would be announced concurrently with the promulgation of the monarchy.

² Not printed.

The firm belief was expressed by these officials that the dictatorial power held by His Excellency Yuan Shih-kai will be legally distributed among the various organs of the Government and that after the question of succession to the headship of the State had been definitely settled, the Government could then address itself with undivided energy to the task of administrative reform.

On the basis of such a program, and in view of the fact that the Government represented the only adequate organization in sight, the Ministers of the countries mentioned in my telegram had expressed their readiness at the proper time to recognize the monarchical government. * * *

The confidential information concerning the Legations of other Powers at Peking, which was at that time in my possession, indicated that they all, with the exception of Japan, considered early recognition desirable; it was, however, doubtful how far the action of the Allied Powers would be determined by the judgment and interests of Japan of this matter.

Towards the middle of January, I was confidentially informed by a member of the Foreign Office that the formal accession to the throne was likely to be set for February 9. On January 23, however, another member of the Foreign Office called and stated that it had been decided to postpone the formal proclamation of the empire. High officials gave, as the reason for this action, the fact that upon the convocation of the Japanese Diet, the Okuma Government would find itself in the face of a violent opposition which would undoubtedly take advantage of the formal creation of the empire in China to cause difficulties to the Japanese Government, which in turn might thereby be impelled to take drastic action in China. In order to give no occasion for such developments, it was stated that the postponement had been decided upon. * * *

I have [etc.]

PAUL S. REINSCH

File No. 893.01/92

Minister Reinsch to the Secretary of State

No. 958

AMERICAN LEGATION,
Peking, February 24, 1916.

SIR: After I had completed dictating the despatch (No. 955) of today's date, concerning my audience with the President, Mr. C. C. Wu, a member of the Foreign Office, called on me and informed me that the President had announced the measures reported in the editorial from today's *Peking Daily News*, enclosed with my No. 955, viz:

1. In the future the Cabinet will have a weekly meeting under the presidency of the Secretary of State for the discussion of important matters of public policy; at these meetings the emperor-elect is not to be present.

There will be regular conferences between groups of Ministers of State and the chief advisers in the respective branches for the discussion and elaboration of measures of government.

The first measure constitutes a step in the devolution of authority from the Head of the State to the responsible Ministers; the second

is the first effort to systematize the cooperation of foreign advisers in the work of government.

It was also stated by Mr. Wu that the measures for the early convocation of parliament are now under consideration.

I asked Mr. Wu for the reason why at this time the emperor-elect had issued a mandate (translation of which is enclosed with my No. 955) announcing the postponement of the formal accession to the throne. Mr. Wu stated that this was done in order to put an end to constant petitioning and to make it plain that for the time being formal coronation was not thought of. He stated that this, of course, referred only to accession to the throne; that essentially the Government, as far as internal relations are concerned, is already a monarchy, although it has not assumed this character in its international relations.

I have [etc.]

PAUL S. REINSCH

File No. 893.00/2375

Minister Reinsch to the Secretary of State

No. 969

AMERICAN LEGATION,
Peking, March 9, 1916.

SIR: In continuation of my despatch No. 947 of February 23 last, I have the honor to enclose herewith copies of despatches from various consular offices, reporting on political conditions in their respective districts.¹ I have the honor also to enclose five newspaper cuttings dealing with the political situation, which appeared in the *Peking Gazette* of February 25 and March 7.²

It is officially reported that the Government troops have scored successes in Szechuan, having retaken Suifu and Nachi. The situation in Kikiang is still uncertain.

The greatest uncertainty prevails with respect to the province of Hunan. Throughout this province the revolutionaries have many sympathizers, and since the invasion of the southwestern part of the province by troops from Yunnan and Kweichow there has been fear that the entire province might go over to the revolutionaries. The American Consul at Changsha advised the missionaries to withdraw from the interior to towns nearer the Yangtze. He now reports that the missionaries in Shenchow and Paoching prefer to remain because the local situation in those places is quiet. A success of the Government troops near Yuanchow was reported yesterday. Should Hunan eventually side with the revolutionaries, such action would undoubtedly give the signal for a general movement throughout the Yangtze Valley. Should, however, the successes of the Government troops result in pressing back the Yunnanese into the provinces of Yunnan and Kweichow, the Central Government could then offer its conditions of peace without fear of having such advances interpreted as a sign of weakness.

I have [etc.]

PAUL S. REINSCH

² Not printed,

File No. 893.00/2357

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, March 18, 1916, 8 p. m.

The Government received telegram from the authorities of Kuangsi in which they demanded cancellation of the Imperial movement and threatened joint action with Yunnan. It is also reported that Lung, governor of Kwangtung, counsels settlement with Kwangsi.

The governor of Kuangsi induced the Chinese Government to supply him with money and military stores for the invasion of Yunnan. The Government is in the dilemma of either furnishing aid to governors who may turn against it or refusing in case of doubt with the result inevitably breaking off relations.

Before the arrival of the Kwangsi telegram the Government had determined in view of its military success in Szechuan to offer favorable terms to the revolutionists; the new development precludes this course and threatens to array South against North.

REINSCH

File No. 893.00/2371

Minister Reinsch to the Secretary of State

No. 989

AMERICAN LEGATION,
Peking, March 21, 1916.

SIR: In connection with my telegram of March 18, 8 p. m., I have the honor to enclose, for your information, copies of despatches from various consular offices in China, dealing with political conditions.¹

There are also enclosed newspaper clippings of discussions on the monarchical question from the *Peking Gazette* of the 18th instant, on the independence of Kwangsi from the *Gazette* of March 18 and 20.²

The cardinal factor in the present immediate situation is that the officials of Kwangsi have sided with the revolutionists, and that the military governor of Kwangtung cannot be absolutely counted upon by the Central Government. The shrewd manner in which the Kwangsi military governor induced the Central Government to supply him with funds and ammunition before he declared himself as allied with the revolutionaries is ominous and places the Central Government in a serious dilemma. It must either, by acceding to the demands for funds and war materials on the part of the military governors, take the serious risk of supplying the revolution with means of action, or it will, through refusal to furnish such assistance, cause an immediate defection of high officials, who may be suspected of sympathies with the revolutionists. The military governor of Kwangtung, who has advised the Central Government to come to a settlement with Kwangsi, is evidently not to be relied upon with assurance by the Central Government. The situation in the Province of Hunan is also very uncertain. The current popular

² Not printed.

sentiment there seems to favor the revolutionists, and while the northern troops have been thus far able to hold in check the invading forces from Kweichow, there is no certainty as to how long the officials could withstand the republican movement should there be any reverses or should Kwangtung, as well as Kwangsi, join the revolutionary cause.

Just before the announcement of the attitude of Kwangsi, the Peking Government, in view of the success of its military operations in Szechuan, was inclined to make overtures to the Yunnanese leaders, promising them participation in the Government, a liberal constitution and a cabinet, in return for submission to the Government of His Excellency Yuan Shih-kai. It is believed that there was readiness to modify the monarchical scheme to the effect of having His Excellency Yuan assume the position of emperor for life, or life-president. The action of Kwangsi cut short this attempt at a solution of the difficulties. As there are now not only the few leaders around Tsai Ao to deal with, but those of the two southernmost provinces as well, the solution at first suggested has entirely to be abandoned. There would now seem to be only one possible solution: namely, mediation on the part of the military governors of central China, especially their excellencies Feng Kuo-chang and Chu Jui, acting in conjunction with men of the standing and influence of his excellency Tuan Chi-jui, former Minister of War, and his excellency Chang Chien. Promises of liberal constitutional arrangements, even the total cancellation of the monarchical movement, probably would not save His Excellency Yuan at the present time, unless these men were to form a combination which would, on the one hand, prevail upon the southern leaders to submit, and, on the other, guarantee such promises as would be demanded from the President.

As the Chinese in all parts of the country realize the danger of foreign intervention and a civil war threatening permanent division of the country, it is probable that an intermediation such as the above would be effective. So strong, however, is the hostility toward H. E. Yuan that it will be difficult to counteract the demand for his total elimination, except upon an adequate guaranty against the resumption by him of purely personal authority.

It is generally believed that as to forms of government the population of China remains largely indifferent, and that any preference existing on the part of the upper and middle classes rather favors the monarchy; the present movement is generally understood to derive its energy from personal hostility against President Yuan.

I have [etc.]

PAUL S. REINSCH

File No. 893.01/89

Minister Reinsch to the Secretary of State

[Telegrams—Extracts]

AMERICAN LEGATION,
Peking, March 22, 1916, 7 p. m.

The Government has decided to promulgate mandate canceling monarchy. Yuan will remain President, and Hsu Shih-chang, who will sign decree, as well as other who disapproved monarchy, will

again actively join the Government. Paradoxically, old school statesmen will therefore again be in ascendancy. There has been a great deal of earnest thinking, and Peking in the future will be likely to make sure of actual public opinion before deciding important matters. It is anticipated that revolting provinces may desire to insist on Yuan resigning, but there is reason to believe form of government is now settled.

REINSCH

File No. 893.00/2367

AMERICAN LEGATION,
Peking, March 31, 1916, midnight.

There is much uneasiness among the native population here and it is reported that certain troops are ready to revolt. I am taking every precaution but do not think that harm will befall foreigners as the mutiny, if begun, will be innately a political demonstration.

REINSCH

File No. 893.00/2387

Minister Reinsch to the Secretary of State

No. 1015

AMERICAN LEGATION,
Peking, April 4, 1916.

SIR: In continuation of my despatch No. 989 of March 21, 1916, I have the honor to report on the general political situation and to enclose copies of despatches from various consular officers in China.¹

There is also enclosed a translation of the mandate, published in the *Peking Gazette*, March 23, 1916, cancelling the monarchy, as well as clippings from the *Peking Gazette*, March 23 and 27, 1916,² dealing with the situation in China and local conditions in Peking.

Being confronted with the defection of Kwangsi province, H. E. Yuan Shih-kai announced, on March 22, that the measures preparatory to the establishment of the monarchy had been canceled and that the petition papers submitted through the Ts'an Chengyuan should be returned to that body to be forwarded to the petitioners for destruction.

This sudden and unilateral concession on the part of the President, without a guaranteed *quid pro quo* by way of submission to the Central Government on the part of the revolting forces, came as a surprise. It was due undoubtedly to the fear that unless such a step were taken the Province of Kwangtung also would join the revolutionaries. The military governor of the province had strongly advised the Central Government to compromise. Another determining cause was the advice of the State Secretary, H. E. Hsü Shih-chang, who had for some time been in retirement. The so-called Anhui party in Peking saw an opportunity to regain control and oust the Cantonese leaders in whose hands the management of the monarchical movement and the chief influence in the Government had been since last August. The President believed that the return to the Government of such men as Hsü Shih-chang

² Not printed.

and Tuan Chi-jui would greatly strengthen him and would in the eyes of the revolutionists constitute that guaranty of good faith which the circumstances required.

It is interesting and paradoxical that the leaders of the so-called Anhui party, who are old fashioned and reactionary and who have little idea of constructive action and modern efficiency, should again come back into prominence in connection with the restoration of the Republic. This goes to show to what a small extent constitutional questions are really determinants in the present controversy. H. E. Hsu Shih-chang, personally, has lived in accordance with all the canons of Confucian morality in failing to give positive approval to the action of H. E. Yuan Shih-kai in attempting to take the place of his former master, the Emperor. This attitude gained for him universal respect in China, but its impelling motive was one of personal loyalty to the old Imperial family rather than attachment to any particular form of government.

As might have been anticipated, the cancellation of the monarchy did not satisfy the revolutionists who interpreted it as a confession of weakness and defeat; nor, of course, was it welcome to the adherents of the President in the provinces, especially the military who felt that he was giving away his case without getting anything in return. The report that the President, simultaneously with the cancellation of the monarchy, sent a comforting message to the chief generals stating that they should not take this too seriously, is undoubtedly a fabrication.

The result was that the President's act of renunciation of the monarchy had no favorable effect on the situation from the point of view of the Central Government. There seems, indeed, to have been a lull in the active fighting in the Provinces of Szechuan and Hunan where the military leaders appear to be sitting down to await developments and to think things over. But the dry-rot of authority continues, and small military leaders in Kwangtung declared their independence, as at Chowchowfu, Swatow, Pakhoi, and some towns in its vicinity. The importance of this latter movement lies in the fact that the revolutionaries have now obtained access to the seaboard, which renders easier the supply of war materials and which has a distinct bearing on the eventual recognition of belligerency.

A certain amount of disorganization has prevailed in government circles in Peking since the monarchy was cancelled. The uncertainty as to what the President would do filled the official world with apprehension while the foreign community feared military riots in case Yuan Shih-kai should lose or give up control entirely. The leaders of the so-called Anhui party had evidently expected that it would be easy for them to proscribe the Cantonese leaders and have them banished or executed. The principal men among these are their excellencies Liang Shih-yi, Chow Tze-chi, Minister of Agriculture and Commerce and Chu Chi-chien, Minister of the Interior. Yang Tu, an organizer of the Chou An Hui whose execution had been called for by the revolutionaries, is defended as having been only the instrument in the hands of other men. The Cantonese leaders have impressed the foreign representatives here, and, in fact, have proven themselves to be men of real capacity for organization and personal efficiency. They had not originally been active in the

monarchical movement but had taken it out of the hands of others and pushed it with energy and success until foreign interference changed the course of events. Contrary to the expectations of their opponents they did not at the present critical time take to the woods, with the result that somewhat to their amusement the men of the other party became frightened and began to remove their families from Peking and to plan for places of safety for themselves. With somewhat grim humor, his excellency Chu Chi-chien declared that as conditions in Peking were perfectly normal and as any unwarranted show of nervousness on the part of officials would tend unnecessarily to disturb the population, officials would no longer be permitted to remove their families from the city at the present time.

With regard to the eventual solution of the existing difficulties and the restoration of national unity, the principle indicated in my last despatches still holds good, namely, that some organization will have to be effected in central China among the military governors and prominent political leaders for the purpose of establishing a policy on which all factions can unite. As the leaders in the three revolted southern provinces are mainly members of the old Chin Pu Tang, it is possible that the Kuo Min Tang may find it attractive to bring forward some policy of action which will make the reconstitution of the central authority and the unification of the country possible.

I have [etc.]

PAUL S. REINSCH

[Inclosure]

THE CANCELLATION OF THE EMPIRE

(From the *Peking Gazette* of March 23, 1916)

After the establishment of the Min Kuo, disturbances rapidly followed one another; and a man of little virtue like me was called to take up the vast burden of the State. Fearing that disaster might befall us any day, all those who had the welfare of the country at heart advocated the reinstitution of the monarchical system of government to the end that a stop be put to all strife for power and a régime of peace be inaugurated. Suggestions in this sense have unceasingly been made to me since the days of Kuei Chou (the year of the First Revolution, 1911) and each time a sharp rebuke has been administered to the one making the suggestion. But the situation last year was indeed so different from the circumstances of preceding years that it was impossible to prevent the spread of such ideas.

It was said that China could never hope to continue as a nation unless the constitutional monarchical form of state were adopted; and if quarrels like those occurring in Mexico and Portugal were to take place in China, we would soon share the fate of Annam and Burmah. A large number of people then advocated the restoration of a monarchy and advanced arguments which were reasonable. In this proposal all the military and civil officials, scholars and people concurred; and prayers were addressed to me in most earnest tone, by telegram and petitions. Owing to the position I was at the time holding, which laid on me the duty of maintaining the then existing situation, I repeatedly made declarations, resisting the adoption of the advice; but the people did not seem to realize my embarrassment. And so it was decided by the acting *Li Fa Yuan* that the question of *Kuo-ti* should be settled by the Convention of Citizens' Representatives. In the result, the representatives of the provinces and the special administrative areas unanimously decided in favor of a constitutional monarchy, and in one united voice elected me as the Emperor. Since the sovereignty of the country has been vested in the citizens of China and as the decision was made by the entire body of the representatives, there was no room left to me for further discussion. Nevertheless, I continued to be of

the conviction that my sudden elevation to the Great Seat would be a violation of my oath and would compromise my good faith, leaving me unable to explain myself I, therefore, declined in earnest words in order to make clear the view which hath always been mine. The said Yuan, however, stated with firmness that the oath of the Chief Executive rested on a peculiar sanction and should be observed or discarded according to the will of the people. Their arguments were so irresistible that there was, in truth, no excuse for me further to decline the offer.

Therefore I took refuge behind the excuse of "preparations" in order that the desire of the people might be satisfied. But I took no steps actually to carry out the programme. When the trouble in Yunnan and Kweichow arose, a mandate was officially issued announcing the decision to postpone the measure and forbidding further presentation of petitions praying for the enthronement. I then hastened the convocation of the *Li Fa Yuan* in order to secure the views of that body and hoping thus to turn back to the original state of affairs. I, being a man of bitter experiences, had once given up all ideas of world affairs; and having retired into the obscurity of the river Yuan (in Honan), I had no appetite for the political affairs of the country. As the result of the revolution in Hsin Hai, I was by mistake elected by the people. Reluctantly I came out of my retirement and endeavoured to prop up the tottering structure. I cared for nothing but the salvation of the country. A perusal of our history of several thousand years will reveal in vivid manner the sad fate of the descendants of ancient kings and emperors. What then could have prompted me to aspire to the Throne? Yet, while the representatives of the people were unwilling to believe in the sincerity of my refusal of the offer, a section of the people appear to have suspected me of harboring the desire of gaining more power and privileges. Such difference in thought has resulted in the creation of an exceedingly dangerous situation. As my sincerity has not been such as to win the hearts of the people and my judgment has not been sound enough to appraise every man, I have myself alone to blame for lack of virtue. Why then should I blame others? The people have been thrown into misery and my soldiers have been made to bear hardships; and further the people have been cast into panic and commerce has rapidly declined. When I search my own heart a measure of sorrow fills it. I shall, therefore, not be unwilling to suppress myself in order to yield to others.

I am still of the opinion that the "designation petitions" submitted through the *Tsan Cheng Yuan* are unsuited to the demands of the time; and the official acceptance of the Imperial Throne made on the 11th day of the 12th month of last year is hereby cancelled. The "designation petitions" of the provinces and the special administrative areas are hereby all returned through the State Department to the *Tsan Cheng Yuan*, i. e., the acting *Li Fa Yuan*, to be forwarded to the petitioners for destruction; and all the preparations connected therewith are to cease at once. In this wise I hope to imitate the sincerity of the Ancients by taking on myself all the blame, so that my action may fall in line with the spirit of humanity which is the expression of the will of Heaven. I now cleanse my heart and wash my thoughts to the end that trouble may be averted and the people may have peace. Those who advocated the monarchical system were prompted by the desire to strengthen the foundation of the country; but as their methods have proved unsuitable their patriotism might harm the country. Those who have opposed the monarchy have done so out of their desire to express their political views. It may be therefore presumed that they would not go to the extreme and so endanger the country. They should, therefore, all hearken to the voice of their own conscience and sacrifice their prejudices, and with one mind and one purpose unite in the effort of saving the situation so that the glorious descendants of the Sacred Continent may be spared the horror of internal fight and the bad omens may be changed into lucky signs.

In brief, I now confess that all the faults of the country are the result of my own faults. Now that the acceptance of the Imperial Throne has been cancelled every man will be responsible for his own action if he further disturbs the peace of the locality and thus give an opportunity to others. I, the Great President, being charged with the duty of ruling over the whole country, cannot remain idle while the country is racing to perdition. At the present moment the homesteads are in misery, discipline has been disregarded, administration is being neglected and real talents have not been given a chance.

When I think of such conditions I awake in the darkness of midnight. How can we stand as a nation if such a state of affairs is allowed to continue? Hereafter all officials should thoroughly get rid of their corrupt habits and endeavour to achieve merits. They should work with might and main in their duties, whether introducing reforms or abolishing old corruptions. Let all be not satisfied with empty words and entertain no bias regarding any affair. They should hold up as their main principle of administration the policy that only reality will count and reward or punishment dealt out with strict promptness. Let our generals, officials, soldiers and people all, all, act in accordance with this ideal.

File No. 893.00/2370

Minister Reinsch to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Peking, April 5, 1916, 8 p. m.

Prospects rather more favorable that internal peace may be restored. Hostilities are suspended temporarily and negotiations are evidently proceeding with revolutionists at various points. Peking is quiet.

A new phase has appeared in more friendly attitude of Japan towards the Chinese Government. I am informed that several shipments of arms for the revolutionists have been detained by the Japanese Government. Realizing the influence of Japan the high Chinese authorities appear to have made some advances. It is too early to determine consequences.

REINSCH

File No. 893.01/96

AMERICAN LEGATION,
Peking, April 11, 1916, 11 p. m.

Feeling of greater confidence prevails. The realization of the fact that the revolutionists are without united policy and that no possible presidential candidate could command general allegiance is making leaders of all factions consider the temporary retention of Yuan. Negotiations with the southern provinces are going on, which the fear of Japan [tends to?] accelerate. Yuan himself is discouraged and there is fear that he might lose sense of responsibility if pressure should increase.

Nanking reports considerable unrest and rumors of impending declaration of independence. Declaration of independence has acquired a special, not an actual separatist design, but the determination to be specially consulted in negotiations for reconstruction.

REINSCH

File No. 893.00/2416

Consul Peck to the Secretary of State

No. 88

AMERICAN CONSULATE,
Tsingtau, April 11, 1916.

SIR: Referring to my despatch No. 86, of March 24, 1916,^a I have the honor to state that the plans for the uprising alluded to therein as scheduled for this month seem to be progressing for fulfillment,

^a Not printed.

inasmuch as April 20 is now set for an attack on the cities of Kiaochow and Kaomi, both on the Shantung Railway and within the neutral area about the leased territory. It is understood that this attack will be made by the rebel forces now in Tsingtau, said to number about one thousand real revolutionists and two or three thousand hired ruffians. After those cities are taken Weihsien is to be the next point of attack. At this city there is a station of the American Presbyterian Mission and a number of Americans reside there who might come into some danger if these plans are carried through. This place is in the Chefoo consular district.

A proof of the brazen effrontery with which the so-called revolutionists are acting under the aegis of Japanese official indifference is afforded by the report brought to this office from reliable sources that the prominent Chinese merchants here are to be blackmailed by them under threat of death. One man, well known to the writer, has been levied upon for thirty thousand taels and has fled to Shanghai. Others are in hourly apprehension of the same demand. The only prudent course would appear to be go in a body to the Japanese authorities and demand protection, but this they are afraid to do.

In the meantime in Tsingtau itself there are many more policemen on the streets than formerly were visible. Every night two Chinese policemen stand guard in front of this consulate, whereas until recently there were no policemen in this entire neighborhood. Chinese of position are afraid to go on the streets after nightfall, but Europeans are probably in no danger, as any violence actually practiced will in all likelihood be carefully calculated and not simple acts of brigandage. This office will venture outside of its consular district so far as to send informal warning to the American missionaries at Weihsien and vicinity of the necessity for watchfulness.

In this connection I have the honor to state that an American citizen who recently returned from a journey through the southern part of the province reports that rumors of the impending incursion from the leased territory have already penetrated to that region and that the people are extremely apprehensive thereof. Recruits for the little army of revolutionists in Tsingtau are coming in from Manchuria on every steamer, all Japanese ships, and while it is of course possible that the whole project may turn out a fiasco, yet if it is true, as reported, that the Province of Kuangtung declared its independence of the present Chinese Government a few days ago, pronounced successes on the part of the rebels elsewhere will have much to do with encouraging them to a bold attempt in this province.

It is well to explain in conclusion that the men who are being blackmailed here are not adherents of any political party but belong to that class of men, large in north China, the members of which are indifferent to governmental affairs and adapt themselves with equal good humor to any sort of domination, republican or monarchical, Chinese or foreign, provided that in return for their compliance they are afforded a reasonable amount of freedom to pursue their private concerns. Having thrived here under German control they have lately, at the behest of the Japanese victors, embarked considerable sums in joint Japanese-Chinese business ventures. It is to be feared that in the present circumstances the political schemes emanat-

ing from Tokyo will interfere with the commercial rapprochement engineered by the local military administration, since political turmoil puts an end to commercial prosperity.

I have [etc.]

WILLYS R. PECK

File No. 893 00/2403

Vice Consul Josselyn to the Secretary of State

No. 556

AMERICAN CONSULATE GENERAL,
Canton, April 12, 1916.

SIR: I have the honor to inform the Department that General Lung Chi-kwang declared the independence of Kwangtung Province on the evening of April 6, following the joint representation made to him by the gentry and the commercial and educational communities of the province. There was no disturbance in Canton, but the announcement of the declaration of independence was celebrated by the discharge of innumerable firecrackers. The independence proclamations were posted all over the city. On the following day all the Chinese gunboats in the harbor and the various Government offices bore white flags stating: "General Lung declares the independence of Kwangtung."

The condition of affairs in Kwangtung Province at the present time is one of extreme uncertainty. Up to now Canton has been free from fighting or disturbance of any sort, but reports from the interior indicate that the conditions there are very bad; in fact, they are reported to be worse than at any time during the first and second revolutions. This is particularly true of the North River region, along the line of the Canton-Hankow Railway. The entire country is infested with robbers, who call themselves "The People's Army". On the 7th instant, these bands of robbers drove away the railway guards and government troops from various places along the line, held up one of the trains, took the rifles and ammunition away from the train guards and also a certain sum of money, amounting to about \$1,800. They are also reported to have taken possession of the *yamen* of the Ying Tak magistrate and either driven that functionary away or are holding him as a captive. In consequence of this, all traffic was suspended on the line for two days,—the 8th and 9th. On the 9th, a body of 300 government troops rode up and down the line, and on the 10th traffic was partially resumed. However, the railway officials are very pessimistic about conditions. They state that they can not make their men work under the conditions prevailing at present; that the line is unsafe for trains of any sort; that until the military give notice that permanent protection is established, they cannot be responsible for the safety of any part of the line. On the 11th, both the up and down passenger trains were robbed and there were skirmishes between the robbers and General Lung's troops at various places on the line.

In connection with the above, I have the honor to state that there is a mission station of the American Southern Baptist Mission located at Ying Tak, on the Canton-Hankow Railway. On the evening of the 9th, no trains having run on that day, I received a telegram from Dr. Beddoe of that mission, asking me to arrange with the

governor for a special train to convey all the missionaries at Ying Tak to Canton. I talked with General Lung personally over the telephone that evening, and he promised to do everything possible to have the missionaries brought safely to Canton. However, the next morning, as trains were running and the missionaries reported the conditions as somewhat better, they decided to wait until to-day before leaving Ying Tak.

Reports from missionaries in the Samshui district also indicate that robbers are extremely numerous in that region. Within the last ten days I have twice received requests from missionaries there to have the governor send more troops for the protection of the missions from robbers and thieves.

General Lung Chi-kwang is now waiting for the arrival of Lu Jung-ting and Liang Chi-chao from Kwangsi. A gunboat has been despatched from Canton to meet these officials, and they are due to arrive here very shortly. It is believed that upon their arrival General Lung will turn over charge to Lu, and that he will then leave Canton.

There are at the present time three parties in South China. The first consists of General Lung Chi-kwang and his followers. The second is an outgrowth of the Progressive Party and is composed of the better and more responsible element of the officials, the leaders of which are Lu Jung-ting and Liang Chi-chao, at present in Kwangsi, and Chen Chun-hsun, ex-viceroy of the Liang Kwang, who is at present in Shanghai but is reported to be leaving for Canton very soon. It is reported that Mr. Chen has been nominated to be the generalissimo of the revolutionary forces, and Chu Chin, formerly a member of the Imperial Party and lately of the Progressive Party, will be the commander in chief of the Kwangtung National Defence Army. Chu Chin arrived in Canton from Hongkong yesterday.

The third party may be called the extreme revolutionists party and is headed by Chun Cheung-ming, who was tutu of Kwangtung at the time of the second revolution. The bands of revolutionary soldiers in the country, who are making the disturbances along the line of the Canton-Hankow Railway and in other places, are supposed to be followers of Chun Cheung-ming. He is believed to be at present in Hongkong. His representative in Canton at present is Wei Pang-ping, who arrived on the gunboat *Kiang Ta*. He has acted as the representative of the revolutionists, and has issued general notices informing the public not to entertain any alarm and promising complete protection. He has also addressed a telegram to the consular body stating that he is responsible for the safety and good order of Canton, and that the lives and property of foreigners will be protected.

It is rather a difficult matter to forecast in what way these three elements will combine, as the leaders of all three are anxious for position.

General Lung is reported to have borrowed a sum of \$70,000, Hongkong currency, from the Canton-Samshui Railway for the purpose of paying his troops.

I have the honor to enclose herewith translation of General Lung Chi-kwang's Independence Proclamation,² copy in translation of

² Not printed.

a circular addressed by General Lung to the various Consuls, and of speeches made by General Lung and former Civil Governor Chang Ming-chi at a meeting held at the former's office on April 9²

A copy of this despatch is being sent to the American Legation at Peking.

I have [etc.]

P. R. JOSSELYN

[Inclosure—Translation]

The Tutu of Kwangtung to Vice Consul Josselyn

CANTON, April 6, 1916.

SIR: I have the honor to state that, whereas earnest requests have repeatedly been made by the gentry, commercial and educational communities as well as other public organizations in Canton that this province be declared independent for the sake of averting the calamity of warfare, and maintaining peace; and whereas the above communities have jointly selected me to be the tutu of Kwangtung for the purpose of upholding order, I, in order to preserve the peace of the province, cannot but comply with the request made by the various organizations and, consequently, have this day proclaimed independence.

For your information, I beg to state that I have duly issued instructions to both the civil and military authorities within my jurisdiction that due protection be afforded according to treaties to all foreign merchants and missionaries residing in the various ports of this province. I shall be very much obliged by your conveying the above to the notice of all American merchants and other citizens residing in this province.

With compliments,

(Stamped)

TUTU OF KWANGTUNG

File No. 893 01/97

Minister Reinsch to the Secretary of State

[Telegrams—Extracts]

AMERICAN LEGATION,
Peking, April 13, 1916, 9 p. m.

My telegram of April 11, 11 p. m. Chekiang has declared independence and several other provinces are likely to follow. The situation is complicated and there are many cross-currents as the personal ambitions of the various leaders and cliques become involved. Thus in Canton even after the declaration of independence conflicts between the troops and rebels continue. Unfortunately as yet there is not a prospect of united action except opposition to Yuan which is increasing in bitterness. The situation Peking may become difficult.

REINSCH

File No. 893.01/99

AMERICAN LEGATION,
Peking, April 15, 1916, 8 p. m.

Bitter factional struggle Kwangtung; Chekiang quiet. In Peking Vice President and Yuan cooperate. They contemplate joint action. Governors asking the President to withdraw. The latter is looking for suitable man to form coalition Cabinet, thus far in vain.

REINSCH

² Not printed.

File No 893 00/2405

Minister Reinsch to the Secretary of State

No. 1031

AMERICAN LEGATION,
Peking, April 18, 1916.

SIR: In continuation of my despatch No. 1015 of the 4th instant, I have the honor to enclose, for your information, copies of despatches from various consular offices in China, dealing with the political situation.² There are also clippings from the *Peking Gazette* of April 4, 5, and 10,² the *Peking and Tientsin Times* of April 15,² and the *Peking Daily News* of the 18th instant,² illustrating the political situation as follows:

On account of the lack of absolute security in the mails, it will be impossible for me to go into details concerning the alignment of various prominent officials and public men in connection with the problems of the day. While there is a temporary unity among the forces of opposition, centered upon hostility to President Yuan Shih-kai, yet all observers agree that were the President suddenly to retire without having made adequate provision for a regular devolution of governmental powers into other hands, it is likely that bitter factional struggles would arise. It is to be hoped that the constitutionalists will determine upon a definite and unified policy both with respect to measures and men. It is believed that were the Chinese left to settle the matter, they would probably at present not return to armed conflict, but continue the discussions and negotiations until some basis of permanent adjustment had been found. From all parts of China, however, it is reported that the more radical revolutionaries are receiving encouragement and even protection and assistance from individuals and officials belonging to another nation.

The most cardinal specific facts upon which the situation at the present time hinges are the following: the refusal of the Yokohama Specie Bank to pay over to the Chinese Government the surplus from the current income of the salt revenue, a procedure which the banks of the other four Powers concerned may have to adopt in the future in the face of the fact that one of the parties has thus pointedly declared a lack of confidence in China's credit; the impossibility of obtaining in foreign markets large loans until conditions shall have become more settled; refusal of the China Merchants' Steam Navigation Company to convey Government troops on the Yangtze and along the coast; and the declaration of independence of Chekiang Province, with the flight of General Chu Jui, one of the most trusted military governors in the Yangtze Valley.

Surmises as to the future development of affairs differ greatly. The leaders of the opposition are expecting, during the present week, a joint manifesto, on the part of the military governors in central China, calling on President Yuan to retire. There is, however, as yet no concrete evidence of the formation of an adequate organization among military and other political leaders for the purpose of carrying on the Government and unifying the country should the President retire. The present is the supremest test of the faculty

² Not printed.

of the Chinese for political organization that they have as yet undergone.

The local situation in Peking is entirely dependent upon whether the President without adequate means will be able to control the military, and whether, should he retire, an adequate organization would have been effected for the control of public affairs.

I have [etc.]

PAUL S. REINSCH

File No. 893.01/101

Minister Reinsch to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Peking, April 21, 1916, 8 p. m.

The state of uncertainty continues. Revolutions have no policy but to oust Yuan. The Government, on account of the stoppage of the salt income through the action of the Japanese bank and generally diminished revenue, will be without funds within a month; a very serious situation threatens unless unity and reorganization can be effected without delay. Reports from all parts indicate Japanese are actively encouraging revolution, for example, advising Fukien to declare independence. Assassinations and looting carried on in the name of revolutionists are not reassuring. The army of the President is holding out well but its behavior when funds are exhausted is uncertain. In Peking the struggle between Anhui and Canton parties continues. Military governor of Kiangsu assumes neutral position.

REINSCH

File No. 893.00/2383

AMERICAN LEGATION,
Peking, April 24, 1916, 6 p. m.

The President has issued mandate declaring that hereafter the administration is to be carried out by a responsible Cabinet, responsible in the sense of managing financial and military affairs, without personal control of the President who yields his administrative power to the Cabinet; also responsible to the Parliament to be elected within three months.

The following are appointed:

Tuan Chi-jui, Premier and Minister of War; Sun Pao-chi, Minister of Finance; Tsao Ju-lin, Minister of Communications, etc.; Minister of Foreign Affairs, Minister of Marine and Minister of Justice unchanged.

The Cabinet represents cooperation among such influential men as Feng, Tuan and Liang Shi-yi and their adherents.

Over against this organization in the Central Government there is nothing on the revolutionary side that could inspire confidence. Lack of policy, the attempted assassination of (?) Chi-jui, discord among leaders, and the noisy utterances of men of questionable reputation like Tang Shao-yi, foreshadow chaotic conditions should the Central organization fail. Hope for reconstruction which will avoid foreign interference would seem to lie with the Government (itself?).

REINSCH

File No. 893.00/2418

Vice Consul Josselyn to Minister Reinsch

[Extract]

AMERICAN CONSULATE GENERAL,
Canton, April 24, 1916.

SIR: I have the honor to enclose herewith copy, together with translation of a circular telegram addressed to the various Consuls from the *Tutus* of the four southern provinces. This telegram was received at this office on April 21.

Owing to the fact that the troops and gunboats in the interior have been recalled to Canton in order to strengthen the defence of the city, a great many of the outlying districts have been in the hands of the so-called "People's Army." As the junks have stopped plying, the supply of rice has been cut off in many places in the interior. Lately, expeditions have been sent to several points and engagements have taken place between the soldiers and the People's Army. Kongmoon, which was taken by the People's Army several days ago, has now been recaptured by the forces of General Lung after a considerable engagement.

I have [etc.]

P. R. JOSSELYN

[Inclosure—Translation]

The Tutus of Yunnan, Kweichow, Kwangsi and Kwangtung to the foreign Consuls

We have the honor to state that since the various honorable countries have extended their recognition to the Chinese Republican Government, it has always been the business of their honorable Diplomatic representatives residing in Peking to cement friendly relations with our respective countries, for which both our army and civilians are one and all highly grateful. It happens that now Yuan Shih-kai, our former President, owing to his attempt to commit a treason, has lost his status of President. Although the monarchical form of Government has now been renounced, nevertheless this does not exonerate him from the crime which he had already committed. As representatives of the army and civilians, we, Tang Chi-Yao and others, pursuant to the law governing the election of President passed and promulgated by the National Assembly in September of the second year of the Chinese Republic, formally announce that we respectfully recognize Mr. Li Yuan-hung, the Vice President, to be the President, concerning which a general announcement has already been made. However, inasmuch as President Li has been confined in the midst of our enemy and is unable to obtain his own freedom, and as it takes some time before we can have Peking settled down, (we beg to say that) in addition to a separate announcement to be made by this military government, all the movement and discussion made by President Li will only become effective when he has got rid of the tyrannical influence of Yuan Shih-kai. As Yuan Shih-kai has been bold enough to commit treason, it is not improbable that he may commit a crime by maliciously doing harm to the head of our party. In view of the fact that the various honorable diplomatic representatives have always given due weight to righteousness and justice and the promotion of national friendship, we venture to despatch this special telegram earnestly soliciting that you may be pleased to watch the action which is taken towards our President Li by Yuan Shih-kai and his confederates, the public traitors, and to take such steps as may be necessary to safeguard the life of the former and to assist him to regain freedom and for this magnanimity both our army and civilians will be ever thankful. We, Tang Chi-yao and others, acting in our private intercourse, candidly

crave for this assistance and trust this appeal will receive your favorable consideration. We beg to add that as it is to be feared that telegrams to Peking may be detained, we, therefore, despatch this to the honorable Consuls at the various ports for transmission.

With best compliments.

TANG CHI-YAO, *Tutu of Yunnan*
LIU HSIEN-SHIH, *Tutu of Kweichow*
LU YUNG-TING, *Tutu of Kwangsi*
LUNG CHI-KWANG, *Tutu of Kwangtung*

File No. 893.00/2384

Minister Reinsch to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Peking, April 27, 1916, 8 p. m.

The Cabinet has taken over administrative powers, including those hitherto exercised by the President's office; also there has been transferred to the Cabinet control over military forces with the exception of the President's bodyguard which it is arranged to turn over at an early date.

The Cabinet at its meeting today decided: provincial assemblies and representative national assembly to be called immediately; all Government revenues and expenses to be audited, results published; dissident elements to be won over without the use of military forces.

This program meets all demands of revolutionists and while retaining Yuan as the formal head of the Government in order to prevent upheaval and scramble which would follow his premature resignation, evidently contemplates his gradual elimination. In view of the hopeless confusion among the revolutionists this Government program in the hands of influential, responsible officials constitutes the most practicable solution in view.

REINSCH

File No. 893.00/2394

AMERICAN LEGATION,
Peking, May 6, 1916, 3 p. m.

Government bodies are working quietly to perfect arrangements for reunion of all the provinces. Feng Kuo-chang is obtaining by telegraphic consultation the sense of the seventeen loyal provinces which is then to be submitted to the five dissident for acceptance. Tsai Ao is in full agreement with Tuan on all points except the demand for immediate resignation of Yuan. The elimination of the latter is evidently being prepared to take place as soon as complete control of situation is assured to Tuan and associates. Yuan has been offered asylum by the Japanese but has no intention to accept. Loyal cooperation of Tuan and Liang promise good results.

REINSCH

File No. 893.00/2396

AMERICAN LEGATION,
Peking, May 10, 1916, 9 p. m.

Referring to previous correspondence of the American Consul, Tsingtau. Revolutionary force of thousand armed men, including many Japanese, was landed at Weihien May 4 from Tsingtau by a

special train and attacked the city which is reported taken. Revolutionary forces drilled quite openly at Tsingtau. Protection and aid by Japanese forces reported. Japanese controlling railway; however, refused to carry Chinese force from Tsingtau on the ground that neutrality must be maintained.

Chinese Government has protested to Japanese Legation and Foreign Office but received answer that armed men carried on railway must have been well disguised and that any military forces concerned in this matter acted entirely on their own responsibility.

Looting is reported in places along Shantung Railway. At Tsingtau, beginning May 3, continuous terrorizing through bomb throwing and incendiary fires in which also Japanese were involved. A suspicious circumstance is that many of these attacks were made near Japanese quarters supposedly to facilitate intervention and claims for damages.

REINSCH

File No. 893.00/2397

AMERICAN LEGATION,
Peking, May 11, 1916, 11 p. m.

Japanese are using agents to create panic Tsinanfu and to urge governor general to declare independence. Railway station headquarters of armed brigands with whom Chinese cannot interfere because station policed Japanese troops.

REINSCH

File No. 893.01/105

AMERICAN LEGATION,
Peking, May 13, 1916, 4 p. m.

A conference of representatives of governors of the seventeen loyal provinces is called to meet Nanking May 15 by arrangement between Feng and the Government leaders. The principal argument for consideration is the further continuance in office of Yuan. Events in Shantung and the lack of funds emphasize the necessity of definite understanding on the part of loyal provinces, either to give Yuan Government united and sufficient support or to displace Yuan and thus invite reunion with the South. In any event, personal power of Yuan is destroyed and he would be retained only as formal head.

REINSCH

File No. 893.01/106

AMERICAN LEGATION,
Peking, May 16, 1916. 8 p. m.

There is reason to believe that the effect of the announcement by the southern leaders of the selection of Tsen Chun-hsuan as commander in chief and Li Yuan-hung as President has resulted in crystallizing support for Yuan, as the northeastern generals do not propose to submit to dictation. The conference at Nanking will be decisive as to the extent of military support of Yuan; it is feared that there is a prospect of predominance of military influence at the cost of constitutional rights; still the Peking leaders are firmly committed to Cabinet and parliamentary Government. The prom-

inence given to bravo like Tsen by the revolutionists discounts to some extent their professed liberalism.

In Tsinanfu, Chinese and Japanese ruffians continue reign of terror, encouraged by the Japanese, who allow the imported hoodlums to make their headquarters at the railway station, and aggravated by the timidity of the Chinese governor who will not allow police and military to take effective means to suppress rioters because should any Japanese be injured intervention would threaten. Dilemma, either continuance of rioting until the Japanese declare that it is necessary to assume responsibility for maintenance of order in the foreign settlement at least, or armed suppression of the disturbances at the risk of possible conflict with the Japanese.

REINSCH

File No. 893.00/2481

Minister Reinsch to the Secretary of State

[Extract]

No. 1081

AMERICAN LEGATION,
Peking, May 17, 1916.

SIR: As indicated in my telegram of May 16, the effect of the announcement by the southern leaders of their recognition of Li Yuan-hung as President and of the organization of a Provisional Government in the southern provinces has had the effect, for the time being, of crystallizing support for His Excellency Yuan Shih-kai among the northern governors. This is particularly apparent in His Excellency Feng Kuo-chang. Although he has not in terms committed himself, his recent expressions indicate that he holds the opinion that the temporary retention of Yuan Shih-kai affords the only means of avoiding anarchy. Upon his suggestion, a meeting of the governors of the loyal provinces has been called to assemble at Nanking on or about May 25 (originally May 15). The northern generals seem to look upon the move of the southerners as an attempt to dictate without taking counsel, and in this sense they resent it.

Whether the representatives of the military governors, when assembled, will manifest sufficient political sense to establish a united policy and to avoid giving their action the character of a reactionary military movement devoid of constitutional aims remains to be seen; and on this same matter hinges the possibility of creating a policy which either the south may accept in subsequent council at Shanghai, or be forced to submit to by the united strength of the northern provinces.

The leaders of the Peking Government are firmly resolved to carry through a constitutionalist policy; and while the opposition party even more loudly proclaim constitutional aims, their appointment to supreme command of General Chang Chun-hsuan, whose blood-thirstiness and unintelligence are notorious, is not entirely reassuring as to what might happen should they further succeed in shaking the authority of the Central Government.

The resignation of His Excellency Yuan Shih-kai and the designation of Li Yuan-hung as his successor for the unexpired term would appear on the surface to form a solution of the difficulties created by the loss of prestige and trust on the part of the President. But Li Yuan-hung has never enjoyed any large influence over the northern governors, nor are they at present inclined to submit to his leadership. This feeling has been accentuated by the action of the south in forcing him to the front. From the point of view of weakening the support of Yuan Shih-kai and of assuring a basis for united action, the last move of the south is considered by most people as a tactical mistake.

The situation in Peking is quiet and the authorities still have matters well in hand. There are, however, rumors of impending unrest among the troops in connection with their monthly pay. Should the Government find itself unable to make payments promptly, disturbances are likely to occur. It is possible that the troops, realizing the difficulties of the Government and instigated thereto by interested parties, may demand extra pay. Every detail of the situation is being watched from day to day by the Legation.

I have [etc.]

REINSCH

File No. 893.01/107

Minister Reinsch to the Secretary of State

[Telegrams—Extracts]

AMERICAN LEGATION,
Peking, May 24, 1916, 11 p. m.

Resignation of President Yuan is believed to be impending. It has been intimated to me from him that should he resign he is likely to request the hospitality and protection of the American Legation as he prefers to go to United States rather than to Japan whose protection has been offered him. If thus appealed to, in my opinion, no alternative but to afford asylum and to protect transit to a seaport.

REINSCH

File No. 893.01/108

AMERICAN LEGATION,
Peking, May 25, 1916, 5 p. m.

Referring to my cable of May 24, 11 p. m. For a fuller understanding of the situation I beg to say no assurances of American protection will be given but action will depend upon circumstances at the time appeal may be made. The President, after his resignation, will be treated by the Chinese Government not as a fugitive but as a distinguished ex-official. On account of undoubted presence of radical revolutionists the Government cannot adequately protect the President as he cannot take a Chinese guard into the foreign settlements, and for other reasons

REINSCH

File No. 893.00/2442

Minister Reinsch to the Secretary of State

[Extract]

No. 1094

AMERICAN LEGATION,
Peking, May 31, 1916.

SIR: The Nanking conference adjourned on May 27 without producing any decisive result. The conference at first passed a formal vote calling upon President Yuan to remain in office until a parliament could be assembled. In subsequent discussions, however, differences of opinion appeared and it was resolved to invite the seceded provinces to send delegates to Nanking. Upon this invitation being forwarded to them, the leaders of the revolutionaries stated that they could undertake negotiations only upon the absolute condition of the immediate resignation of Yuan Shih-kai. After some discussion of the financial and military situations, which did not reveal a great readiness or ability on the part of the provinces to come to the assistance of the Central Government, the conference adjourned. It failed to produce a definite statement of policy and added to the uncertainty of the situation.

The disorganization of the Government was further aggravated by the declaration of independence of Szechuan and Hunan; the Province of Shantung while not declaring its independence is also a great source of difficulty to the Central Government on account of the peculiar situation there.

While the Central Government has thus been losing ground, there is no indication that the secessionists are getting nearer to a unified policy of action; so that it is generally believed that should the authority of the Central Government crumble entirely there would be nothing to take its place. The constitutional action on the part of the President of resigning in favor of Vice President Li Yuan-hung would have the advantage of implying deference to constitutional forms, but it is almost certain that unless Li Yuan-hung could count on immediate and ample financial support from without, the forces of dissolution would so strongly assert themselves that the division of China could not be avoided.

As reported in former telegrams and despatches of the Legation, there has been from the beginning a constant participation of Japanese in the revolutionary movement; formally disavowed but according to all reports actively shielded by the authorities. It is not, however, clear whether the Japanese Government has already conceived a definite policy as to what to evolve out of the general disorganization and confusion which has been brought about. The only absolutely definite principle of policy seems to be that Yuan Shih-kai must be ousted at any cost. Should this be accomplished it may be taken for granted by the aggressive party in Japan that the prestige of Japan would be greatly increased and whatever successor might be selected would necessarily feel his dependence on the Japanese Government. But many of the observers of affairs here believe that it would suit the policy of Japan better still to have China divided into three or four parts; a Manchu principality com-

prising Manchuria and Eastern Mongolia under the practical suzerainty of Japan; a southern and a northern with the possible addition of a central, Chinese Republic, in which the local contrasts in China could be more fully developed. While it is at present impossible to know which of these alternatives is preferred by the Japanese and whether they have in fact formulated a definite plan with respect to the extremely complicated and difficult situation, the action which they have allowed their nationals to take in China, as well as the attitude of the banking institutions controlled by the Japanese Government in aggravating the financial embarrassment of the Chinese, indicate that an attempt will be made to utilize the confusion and helplessness of China so as to make its dependence upon Japan plain to all.

I have [etc.]

PAUL S. REINSCH

File No. 893.00/2424

Minister Reinsch to the Secretary of State

[Telegrams]

AMERICAN LEGATION,

Peking, June 6, 10 p. m.

Having been assured of support of Tuan and the Cabinet, General Li intends to take oath of office tomorrow morning as President.⁵

The British and Allied Ministers have meanwhile jointly approached the Foreign Office and Tuan as Premier with an intimation of their hope that the presidency would be allowed to devolve constitutionally upon Li and that the Government would be able to accomplish the transfer of authority without disorder. The British and Belgian Ministers have informed the Legation that Tuan gave satisfactory assurances on these points and furthermore expressed his hope that the new situation would make possible reconciliation of the seceding provinces.

REINSCH

File No. 893.00/2427

AMERICAN LEGATION,

Peking, June 9, 1916, 8 p. m.

All the northern provinces including Chekiang have accepted succession of Li to the presidency. As the southern provinces had before proclaimed him as the rightful President he holds the reins of Government without opposition. It is, however, expected that southern provinces will demand changes in the personnel of Cabinet; there are many candidates to be considered and difficulties may not be avoided in trying to satisfy all parties.

REINSCH

File No. 893.00/2434

AMERICAN LEGATION,

Peking, June 13, 1916, 1 p. m.

Official statement reported given out in Japan to the effect that foreigners in China desire more protection has no foundation. Con-

⁵ See Death of President Yuan Shih-kai and succession of President Li Yuan-hung, post, p. 98.

ditions here are again perfectly normal, with no apprehension on the part of foreigners and with a feeling of confidence in assured realization of economic political progress under the Republic.

REINSCH

File No. 893.00/2462

Minister Reinsch to the Secretary of State

No. 1119

AMERICAN LEGATION,
Peking, June 14, 1916.

SIR: I have the honor to report that on June 12, the American Consul in charge at Tientsin telegraphed to the effect that the Japanese had asserted that the French commandant had requested the placing of Japanese troops to guard the railway station in the native city and the Yangtsun bridge on the railway to Peking; the American commandant had been requested to reply as to his concurrence in the plan.

I instructed the Consul to advise the American commandant to reply that any proposal relating to changes in the force patrolling the railway, should be reported to the Dean of the Diplomatic Corps in order to be submitted to the Ministers interested for their discussion and eventual approval.

On the merits of the case, there does not seem to be any need for foreign military at the railway station at Tientsin. The placing of a Japanese guard there would only tend to irritate the Chinese, although the Japanese would probably consider it as contributing materially to their prestige.

It is somewhat difficult to understand the motive of the proposal of the French commandant. However, during the apparent uncertainty of conditions of June 6, the French Minister brought to Peking about sixty of the French Indo-Chinese troops stationed at Tientsin. The commandant there may feel that from a military point of view his forces are insufficient. The political aspects of the matter, however, are such that it is not in the interest of France, or any other western Power, to make a change which in the eyes of the Chinese will seem a support of the pretensions of Japan.

If the change is actually proposed by the French Minister and commandant, it will, of course, have to be accepted.

I have [etc.]

PAUL S. REINSCH

File No. 893.00/2444

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, June 30, 1916, 6 p. m.

Tuan Chi-jui having withdrawn his opposition, the President last night issued mandates summoning Parliament to resume sessions on August 1, and to elaborate permanent Constitution, the Nanking provisional Constitution and the presidential election law of October fifth, 1913, to continue in force; all treaties concluded subsequent to

dissolution of Parliament in May, 1914, are to be recognized as valid as also all laws and mandates except those specifically canceled by mandate; all laws relating to *Li Fa Yuan* and citizens convention canceled hereby and the Council of State and censorate attached to administration court abolished; Tuan reappointed Premier.

REINSCH

File No. 893.00/2491

Minister Reinsch to the Secretary of State

No. 1143

AMERICAN LEGATION,
Peking, July 14, 1916.

SIR: In continuation of my despatch No. 1117 of the 14th ultimo, I have the honor further to report on the political situation and to enclose, for the information of the Department, copies of the following reports from the various consular offices in China.² There is also enclosed an article, reprinted in the *Peking Daily News* of July 12,² giving an account of the political action of the navy from the point of view of its leaders.

Immediately following the death of President Yuan Shih-kai, and continuing for about two weeks thereafter, there was a lull in the political controversies which promised fair for cooperation among the different political elements. But the opportunity was not taken advantage of by the President, who had not developed a definite policy of handling the situation and who was perplexed by contradictory counsels. Being of an optimistic temperament, he was, however, hopeful that all difficulties would shortly be settled. Meanwhile, as time elapsed, the mutual antagonisms which had preceded the death of President Yuan again emerged, and the leaders of the different factions became more and more specific in the demands which they made upon the Central Government. Having at first declared that the withdrawal of Yuan would completely satisfy them, the southern leaders now demanded the revival of the Provisional Constitution of 1912, and the resurrection of the Parliament, whose members' legal terms of office, so far as the lower house is concerned, had already expired by limitation of the organic law. Still held in the background, but frequently hinted at, was the demand for the punishment of the leaders of the monarchical movement.

The principal members of the last Cabinet of President Yuan and the other political leaders who had supported him, were loyal in their efforts to support the legal authority of His Excellency Li Yuan-hung and to hand the Government over to their successors with as little disturbance as possible. On June 28, the day of the funeral of Yuan Shih-kai, I had an interview with the President during the afternoon, at which time he expressed his assurance of having found a way to secure the cooperation of all factions in the support of the Government. He stated to me at this time that while he would, by mandate, declare the Provisional Constitution of 1912 to be in force and while he would summon the rump parliament, it was his intention that the latter should act only in a quasi-constituent capacity for the purpose of amending the parliamentary

² Not printed.

election law to the end of reducing the membership in that body one-half; experience had shown the membership of the present Parliament to be too large for the efficient conduct of business. I asked the President whether he did not consider it impossible to confine the Parliament, when summoned, to so limited a function and whether it was not rather to be expected that it would attempt to exercise a controlling power in the Government, and whether, unless there was a definite policy and recognized leadership, there might not be danger of confusion. The President insisted that the Parliament would be confined to the specific function indicated by him. I was astonished to have the President insist, when the question of the legality of the Parliament was under discussion, that the term of only one-half of the members of the lower house had expired; this was a plain error, as the organic law is explicit in making the term of all members of the lower house three years.

The counsellors who have the greatest influence with the President are mostly men belonging to the Chin Pu Tang. It has been their effort to induce the President to recall the rump parliament in which the Chin Pu Tang faction has the large majority and also to prevail upon him to appoint members of their party to the governorships in the provinces. The activities of these leaders have caused the antagonism between the Chin Pu Tang and the Kuo Min Tang to revive, with the result that the Kuo Min Tang leaders in Shanghai are beginning to take a position of distinct hostility to the Chin Pu Tang, a frame of mind which has, however, revealed itself more in the inner intrigues than by outward manifestation.

The most remarkable incident during the last few weeks was the declaration on the part of the navy, under the leadership of Admiral Li Ting-hsin, to the effect that while it was completely loyal to the President, it declared its independence of the Cabinet at Peking, and would persist therein until certain political demands had been fulfilled. A defense of this action on the part of the navy is contained in the enclosed article from the *Peking Daily News* of July 12,² but, aside from the more amusing features of the situation, it is a somewhat remarkable commentary on Chinese political thinking and acting that the navy should have been made use of for playing politics in this manner.

The effect of all these activities and intrigues upon the military party in the north may easily be imagined. With a definite and just policy announced and enforced by the President, the military would have had no alternative but obedience, as they have lacked the means for a revolt. But they must also be given the credit for having loyally accepted Li Yuan-hung as the legal occupant of the presidency. It must also be considered that the military leaders of the north have under their control about 200,000 troops, among whom no sign of disloyalty has as yet appeared. They are, at all events, an element to be considered. The interpretation of the southern leaders is that the military must be treated with suspicion, must be excluded from all influence over the Government, and may have to be punished for complicity in the monarchical movement. No matter how much one may sincerely sympathize with any genuine effort to place the Government of China on a purely civil basis and to confine the military

² Not printed.

to their proper functions, after a thorough reform of the abuses in the army, yet it would appear to be a policy of doubtful wisdom to drive these men into a hopeless opposition. It would seem far better thoroughly to reorganize the Government first, and gradually to introduce the reforms called for in the military system. It is to be feared that if the military are driven to extremes, they may again take refuge in the monarchical movement and this time restore the Manchu ruler, a step which would probably entail the division of China.

On June 30, the appointment of the following Cabinet was announced:

Minister of—

Foreign Affairs, Tang Shao-yi (Chen Chin-tao to act)
 Interior, Hsu Shih-ying
 Finance, Chen Chin-tao
 War, Tuan Chi-jui
 Marine, Cheng Pi-kuang
 Justice, Chang Yao-tseng (Chang Kuo-kan to act)
 Education, Sun Hung-yi
 Agriculture and Commerce, Chang Kuo-kan
 Communications, Wang Ta-hsieh

This represented an offer to obtain cooperation between different elements and it achieved a complete exclusion of former monarchical leaders from the Government. But Mr. Tang Shao-yi, notwithstanding the prominent part he has taken in urging action upon the Government, has thus far declined to take responsibility. At the present time the Acting Cabinet is composed of the following members:

Premier Tuan Chi-jui

Ministry of—

Foreign Affairs, Tang Shao-yi (Chen Chin-tao acting)
 Interior, Sun Hung-yi (Hsu Shih-ying acting)
 Finance, Chen Chin-tao
 War, Tuan Chi-jui
 Marine, Cheng Pi-kuang
 Justice, Chang Yao-tseng (Chang Kuo-kan acting)
 Education, Fan Yuan-lien
 Agriculture and Commerce, Chang Kuo-kan
 Communications, Hsu Shih-ying

The temper of the southern leaders at the present time is to be satisfied with nothing short of their complete and recognized ascendancy.

During last night a mandate was prepared for issue, providing for the arrest and trial of some of the principal leaders in the monarchical movement, as follows: Yang Tu, Sun Yu-chun, Ku Ao, Liang Shih-yi, Hsia Shou-tien, Chu Chi-chien, Chou Tsz-chi, and Hsueh Ta-ko. It is to be feared that the political effect of this action will be bad. Not long ago, in a Cabinet meeting, his excellency Tuan Chi-jui, the Premier, stated in so many words that if the monarchists were to be punished very few would be exempt, as practically all officials of the Chinese Government had either supported or acquiesced in the movement. Therefore, unless the mandate is to be interpreted as a shot in the air, to satisfy the cry which has been raised in the south for the punishment of the monarchists; and if it is to be followed by other attempts at

punishment, it might easily cause a dangerous division to be brought about. The mandate as published will probably have little practical effect, as the men concerned are now resident in British concessions or colonies, whence they will not be extradited on political grounds, but only upon a *prima facie* criminal case being fully established. It is stated that the attempt to secure the extradition of Mr. Liang Shih-yi will be welcomed by him, as it would make necessary the bringing into the court of the whole status of the Bank of Communications, and the fact that under former Ministers of Finance, especially Messrs. Hsiung Shih-ling and Chou Hsueh-shih, the bank had advanced large amounts of money to the Government.

Among the prominent Kuo Min Tang leaders, only Mr. C. T. Wang, ex-Vice Speaker of the Senate, has thus far come to Peking to discuss the situation with the President. Mr. Tang Shao-yi stated to me at Shanghai that he would come in a private capacity after August 1st, i. e., after Parliament had assembled. Other Kuo Min Tang leaders also expect to come to Peking at that time.

The assembling of Parliament and the conditions consequent thereon is likely to test the capacity of the Chinese leaders for effective political action. The cardinal fact in the situation is that such a thing as a loyal opposition is not understood or appreciated in China: each party desires full control, in the same spirit as it was desired in his day by President Yuan, i. e., through suppressing and virtually outlawing all opposition. The political leaders of the various factions must learn either to cooperate with each other for the time being, until the Government has again securely reestablished its authority throughout all the provinces, or to adopt party Government with the understanding that parties may be alternately superseded by each other and that the function of a party is to govern well while in power, but not to look upon opposition to it as treason to be suppressed. It would appear that during the past year Chinese leaders have done a great deal of thinking on political matters. How far they have really learned to appreciate the essential requirements of political action under a representative government remains now to be seen.

The situation in some of the provinces, as is apparent from the consular reports herewith enclosed, is still very much confused. With the exception of some parts of Honan, the local troubles have nowhere taken on an anti-foreign character: in that province the activities of the Big Knife Society recall in a small way the troubles of 1900 and, therefore, bear a close watching. In Szechuan, Hunan and especially Kwangtung, bitter partisan struggles are going on. Chekiang is quiet, as is, temporarily, Shantung.

On the whole, the situation, while still full of uncertainty and containing possibilities of future trouble, may be said to promise a fair chance of reestablishing the authority and normal activities of the Chinese Government in all parts of the Republic, as the Head of the State is now formally recognized everywhere. But in the solution of individual difficulties and in the selection of men who are to exercise leadership, a great deal of controversy and trouble may naturally be expected.

I have [etc.]

PAUL S. REINSCH

File No. 893.00/2512

Minister Reinsch to the Secretary of State

No. 1155

AMERICAN LEGATION,
Peking, July 31, 1916.

SIR: In continuation of my despatch No. 1143 of the 14th instant, I have the honor to submit further observations on the present political situation. It is difficult to give any clear and definite information, as there are a great many currents and countercurrents of intrigue and influence, but the following notes are submitted for any value they may have in keeping the Department informed.

There are enclosed herewith two clippings from the *Peking Gazette* of to-day, dealing with the present situation.² The breach between the Chin Pu Tang and the Kuo Min Tang has become still more apparent, and for the time being the advantage of political tactics seems to lie with the latter party. The rump parliament, which is to be convened to-morrow, will probably be controlled by the Kuo Min Tang leaders, who have secured the allegiance of His Excellency Sun Hung-yi, Minister of the Interior. This politician is not generally credited with a very high character; he formerly had Chin Pu Tang affiliations, but recently a violent wordy encounter occurred between him and Tang Hua-lung in Shanghai, in which they expressed quite frankly their opinion of each other. This sign of an evident breach was followed by Sun's allying himself with the Kuo Min Tang, under Tang Shao-yi. It is believed that he carried with him nearly fifty per cent of the Chin Pu Tang parliamentarians, most of whom arrived under his aegis in Peking last week.

The game of the Chin Pu Tang to have their men appointed governors of the provinces in order to control the next parliamentary election has evidently aroused the other party, which now aims at not only controlling the present rump parliament, but the entire Government, including the provinces. The Chin Pu Tang members in parliament seem to be flirting with the monarchical members. The monarchists are, however, at heart entirely suspicious of and thoroughly opposed to both of the revolutionary parties.

His Excellency Tuan Chi-jui is kept in the Cabinet in order to control the military. It is believed that Tang Shao-yi desires to make His Excellency Feng Kuo-chang Minister of War. The other generals would, however, not be favorable to such a proposal. The military are maintaining a waiting attitude. Most of them seem to be persuaded that, with all the partisan bickerings and intrigues likely to be consequent upon the assemblage of Parliament, neither of the revolutionary parties will be able to maintain itself and that the balance of power will be in the hands of the military. Some of the latter are plainly in favor of a monarchical restoration. His Excellency Hsu Shih-chang, the ex-Premier, appears to be busier than he has been for years; his visitings and activities are believed to be relative to his loyalty to the Ching Family.

A Cabinet Minister stated to me that telegrams had been discovered which revealed an intrigue on the part of Liang Chi-chao to put Tuan Chi-jui in the place of President Li. Such a policy if

² Not printed.

really pursued could only be accounted for by a desire of Liang Chi-chao to ally himself with the military, utilizing the control exercised by General Tuan.

It is generally expected that should Tang Shao-yi become Premier, he would try entirely to dominate the political situation, with the result of thoroughly antagonizing the military party. In order to strengthen himself, he has come to an understanding with the most radical wing of the Kuo Min Tang, including Sun Yat-sen and Huang Hsing. He has of late constantly expressed himself as persuaded that the Japanese Government has entirely changed its attitude toward China; and that, having realized that a conquest or coercion of China is practically impossible, Japan will now pursue a policy of friendly cooperation. It would therefore appear that Mr. Tang is actually desirous of giving the Japanese the impression that he desires to cooperate with them. What his attitude would be after he should feel himself assured in power with certain assistance from Japanese sources, would remain to be seen. It is also believed here that before accepting the premiership, Mr. Tang would assure himself specifically of financial support from Japanese or other sources.

The situation for the next few weeks and also the political future of China in general is therefore quite uncertain. It is to be hoped that Parliament will disappoint its critics by not attempting to interfere with every branch of the Government, and that it may submit to the leadership of responsible and experienced men, themselves animated by a desire to put an end to factional fights and to begin constructive work. Most observers would say that this is probably too much to expect, yet there is undoubtedly a chance at hand to take a step in advance in the working of representative institutions in China, notwithstanding all the difficulties in view.

I have [etc.]

PAUL S. REINSCH

File No. 893.032/13

Minister Reinsch to the Secretary of State

No. 1162

AMERICAN LEGATION,
Peking, August 2, 1916.

SIR: I have the honor to report that the National Assembly was convoked yesterday and opened by His Excellency the President, who also on that occasion took a formal oath of office. 138 Members of the Senate and 318 Members of the House of Representatives were in attendance; this is less than a quorum in both cases, but the early arrival of additional members is expected. Meanwhile the Houses will devote themselves to the work of organization and the selection of committees. There is enclosed herewith an account of the opening of the Parliament from the *Peking Gazette* of today,² as well as a copy of the most recent picture of the President, published in the same paper.

I have [etc.]

PAUL S. REINSCH

² Not printed.

File No. 893 00/2533

Minister Reinsch to the Secretary of State

No. 1187

AMERICAN LEGATION,
Peking, September 4, 1916.

SIR: In continuation of my No. 1155 of July 31 last, I have the honor to report on the political situation of the Central Government.

The Parliament assembled and was organized in both Houses on August 1. The members have since been occupied mainly in putting themselves in touch with each other and with the political conditions. A great deal of negotiation has gone on, back and forth, between members of Parliament and the Cabinet, especially the Premier and those members of the Cabinet who are also members of Parliament, such as Sun Hung-yi and Ku Chung-hsiu. These discussions and transactions have thus far revolved mainly about the question of the confirmation of the Cabinet by Parliament, and about the permanent relations to be established between the two bodies. The Cabinet was approved in full by the House of Representatives on the 1st instant and by the Senate to-day.

The Cabinet was not confirmed as a unit, but each member was individually voted on, the Representatives exercising their personal judgment in each case. The weakest support was given to the Minister of the Navy and the Minister of Communications. In the case of the former the opposition was due to the fact that the members of Parliament would have preferred to see Admiral Li Ting-hsin, who engineered the declaration of the independence of the navy in June, appointed to this post.

The opposition to Mr. Hsu Shih-ying, the Minister of Communications, was due to more deep lying causes. Very bitter attacks were made on this official in the press, of which some of the cuttings herewith enclosed are examples.² He was attacked both on the score of alleged lapses in the past and on the manner in which he had reorganized his Ministry. A short time ago His Excellency Hsu Shih-ying announced that he had effected economies to the extent of \$900,000 a year in his Ministry by means of dismissing superfluous employees and by consolidating bureaus and departments. He had, however, in the process of doing this dismissed a number of the most prominent officials in the Ministry who were favorably known for experience and competence, and had replaced them with persons about whom there was no such favorable knowledge. The criticisms which were leveled against him, however, had a deeper cause. It was believed that he had undertaken to control all the branches of the important Ministry of Communications in favor of the Anhui Group, i. e., the immediate personal followers of the Premier; in other words, that he was acting in favor of the Military Party as opposed to the interests of the parties whose strength lies in Parliament. It is stated that the Premier used his entire personal influence to insure the confirmation of his excellency Hsu.

Mr. Chang Yuch-tsen, nominee for the Minister of Justice, had become involved in the opium scandal in Shanghai, in connection with

² Not printed.

the seizure of a large quantity of opium in the baggage of the party of Yunnanese politicians with whom Mr. Chang arrived in Shanghai. He has stoutly maintained his innocence in this matter, and evidently the Government is sharing his point of view, although it has not made an altogether good impression that a man who has not been entirely cleared before the public from suspicion of complicity in so disgraceful an affair should have been made a member of the Cabinet.

During the first month of its renewed life the Parliament has not done anything to justify the unfavorable expectations of its critics; it has not acted in a radical or irresponsible fashion, and its members subordinated their private and partisan views to the urgent need of national unity and cooperation. The Military Party has little confidence in the ability of the Parliament to improve the national situation, but they are pursuing a waiting policy and are giving Parliament a chance to show what it can do. In case general incapacity should reveal itself, the military element would undoubtedly strive to take matters in hand and would bring back that group of more experienced officials who were recently ousted. Current reports concerning the action of the new Parliamentary Ministers are not very reassuring; in the case of two or three of them there seems to be a venality abnormal even in China. Should such tendencies be given free rein, the downfall of the present régime, after the creation of added confusion, would be inevitable. The better element in Parliament and in the press are striving to counteract and eliminate such evils. There are numerous indications that beneath the surface a very strong and widespread movement is going on to the end of organizing a monarchical movement with the assistance of the Military Party, and that should the present Government come to an *impasse* such a movement would be launched. The organizers of this movement are receiving encouragement from Japanese sources and many of the most experienced observers believe that a restoration of the Manchu House would be welcome to the Japanese Government.

The financial situation of the Government is very difficult. The provinces have not as yet been prevailed upon to give adequate financial support to the Central Government; in fact, a great many of them are making insistent demands for the repayment of expenses and losses incurred during the recent revolution. The two national banks have not found it possible to resume specie payment of their notes issued by the Peking branch. In order to meet the urgent needs of the Government there has been a continuous new issue of Bank of China notes, amounting to about silver \$5,000,000, during the last two months. It seems unlikely that financial stability can be restored without a foreign loan; the amount needed to effect this result is, however, relatively small considering that the underlying economic conditions of the country are sound, waiting only for the reestablishment of national credit, in the event of which very considerable business activity would be resumed in all parts of China.

As at all times, the domestic situation in China is overshadowed by dangers threatening from abroad. All parties seem to be persuaded that a policy of friendly cooperation with Japan within

limits is desirable. The radical revolutionaries, as well as many of the moderates, including his excellency Tang Shao-yi, have given frequent expression to their complete trust in Japan and their desire to cooperate with that country. Even the leaders of the Military Party realize the necessity of working to a certain extent in that direction. The Japanese, on their part, have been playing soft tunes of friendship and mutual helpfulness.

There are also enclosed herewith a number of cuttings from the *Peking Gazette*,² which are reports of the action of the National Assembly, or discussions of the relations between the Cabinet and Parliament, and of current politics. There is also a copy of an interview with Mr. Liang Chi-chao, dealing with these matters. In this connection, I also have the honor to refer to the articles published in the August number of the *Far Eastern Review*, of which only an advance copy has so far reached the Legation.

I have [etc.]

PAUL S. REINSCH

File No. 893.00/2534

Minister Reinsch to the Secretary of State

[Extract]

No. 1188

AMERICAN LEGATION,
Peking, September 5, 1916.

SIR: Supplementing previous reports on the general political situation in China, and referring particularly to the Legation's despatch No. 1143 of July 14 last, I have the honor to enclose, for the information of the Department, copies of the following Consular reports on the conditions prevailing in the various provinces.²

For the rest, the enclosed reports present a fair indication of the confused sets of conditions prevailing in the neighborhood of Nanking, of Hankow, of Changsha, of Chungking and of Canton. These several confused situations are notable in the degree to which they are local—involving matters primarily provincial and only secondarily related to the affairs of the Central Government or of other provinces. For the most part, the matters here reported (and other questions of current interest, such as the Shanghai opium scandal, in which certain members of Parliament from Yunnan were detected in the attempt to smuggle in large quantities of opium under cover of the courtesies of the port, and under circumstances which cast some suspicion upon the newly appointed Minister of Justice); the sporadic rioting at Hankow; the scrambling for provincial offices in Szechuan; the somewhat similar interplay of local influences in Hunan,—all these incidents, though they are alike in that they involve an element of disregard for the authority of the Central Government, create an impression of utter incoherence, lack of coordination of any sort, and heterogeneity of local interests.

The one set of events which bears a national, no less than a provincial character is that centering about Canton, where Liang Chi-kuang, holding the office of military governor and acting as civil governor, under the authority of the Peking Government, pending

² Not printed.

the arrival of successors in each capacity, has been besieged by forces acting under the authority of the military council of the recently seceding provinces, although that council had long ago given notice of its adherence to the Government under President Li Yuan-hung, and declared the purpose of its existence at an end. This extraordinary situation (which seems to have become possible only by reason of the detestation which General Lung has aroused during his tenure as governor of Kuangtung) has been the most obvious, if not actually the most serious obstacle to the assertion of the due authority and control over the provinces by the Peking Government as newly constituted under President Li. It is to be hoped that the taking over of the office of civil governor by Chu Ching-lan (lately governor of Heilungkiang) on August 25, and the assumption by General Lu Yung-ting, within the past few days, of command over the troops hitherto acting against General Lung, indicate a settlement by which full control over the civil and military affairs of the province will again be exercised, without opposition, by appointees of the Peking Government.

I have [etc.]

PAUL S. REINSCH

File No. 893.00/2543

Consul Peck to the Secretary of State

No. 113

AMERICAN CONSULATE,

Tsingtau, September 26, 1916.

SIR: I have the honor to state that according to local reports the so-called revolutionist troops at Weihsien and Choutsun have arrived at some sort of an understanding with the Central Government and have submitted to it. This despatch has been delayed some days in the effort to learn the details of the agreement, but even persons who have been to those cities have been able to do little but confirm the report of the surrender. A gradual disbanding is going on and part of the forces will be incorporated with the Chinese Army.

It is reported that many of the brigands and other recruits from Manchuria are being returned thither. The volunteer constabulary organized around Weihsien to protect the residents from the revolutionary troops are also being disbanded and more peaceful conditions are being established.

A copy of this despatch has been sent to the Legation at Peking and to the Consulate at Chefoo.

I have [etc.]

WILLYS R. PECK

File No. 893.00/2544

Consul Peck to the Secretary of State

No. 115

AMERICAN CONSULATE,

Tsingtau, October 6, 1916.

SIR: Referring to my despatch No. 113, of September 26, 1916, regarding political conditions along the Shantung Railway, I have the honor to state that the rebel organization at Kaomi, 66 miles from

Tsingtau on the railway, submitted to the Central Government some days ago, and is now engaged in disbanding troops. This office has been unable to learn the details of the capitulation, but the region is quiet.

A copy of this despatch has been sent to the American Legation at Peking and to the American Consulate at Chefoo.

I have [etc.]

WILLYS R. PECK

File No. 893.00/2535

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, October 31, 1916, 1 a. m.

General Feng Kuo Chang elected Vice President by National Assembly on third ballot with harmonizing effect.

REINSCH

File No. 893.00/2557

Minister Reinsch to the Secretary of State

No. 1305

AMERICAN LEGATION,
Peking, December 13, 1916.

SIR: I have the honor to report briefly on the general political situation: Unfortunately, the contrasts between different parties and factions, which have been previously reported upon, have become more acute as time goes on. This is particularly true of the hostility between the Kuo Min Tang, which is the chief party represented in Parliament, and the military group, known as the Pei Yang Party, which is headed by his excellency Tuan Chi-jui.

The Chin Pu Tang being in the minority in Parliament has been drawn somewhat closer to the Pei Yang group, although no amalgamation has been affected. The faction of Cantonese, under Liang Shih-yi, which is represented by Chu Chi-chien and Yeh Kung-cho, now in exile in Tientsin, is also playing a rôle and is leaning toward alliance with the military party.

Under the circumstances, opinions differ widely as to the virtues and vices of the existing Parliament. On the one hand, it is charged that Parliament has not accomplished any positive work, that it is making no headway with the discussion of the Constitution, which is its principal duty, and that it has exhausted itself in matters of personal politics and in attempted impeachments of General Tuan and other high officials to whom it is opposed; also, that in the matter of appointments, its sole policy has been to embarrass the Cabinet. On the other hand, the defenders of Parliament urge that it has restrained itself, that the constitutional questions before it are of great difficulty, and that the Cabinet has not loyally cooperated by placing before Parliament legislative measures for action.

The very status of Parliament is a matter of difference of opinion. Its extralegal character is urged by its opponents, who claim that it exists only by tolerance of the military party for the purpose of working out more feasible constitutional arrangements, and particularly of reducing the number of members in future parliaments.

The adherents of Parliament claim for it a plentitude of legislative power. With respect to the Constitution, the main controversy has thus far raged about the question as to whether the organization of provincial governments is to be included in the Constitution. As the military party and the Chin Pu Tang elements are at present in control of the majority of the provincial governors, the Kuo Min Tang elements fear that the election of a new Parliament would be managed in a way unfavorable to their party. They therefore propose the granting of a large measure of provincial autonomy, even to the election of the governors by a popular vote. This is opposed by the other parties.

With respect to personal questions, the following have been of importance: Sun Hung-yi, Minister of the Interior, aroused the decided disfavor of the Premier and most of his associates in the Cabinet by his political manipulations and his inattention to the business of his Ministry, which he seemed to regard chiefly as a place in which to provide his adherents with positions. The dismissal of Mr. Sun was urged upon the President, who, however, was reluctant to act on account of Mr. Sun's numerous following in the Parliament. The matter was complicated through opposition which had been organized against General Hsu, the secretary of the Cabinet. General Hsu is a young official of considerable ability and readiness to take decisive action. He was General Tuan's chief adviser and assistant. In order to settle the Sun affair, the President invited his excellency Hsu Shih-chang to come to Peking as a mediator. Through him it was arranged, to satisfy all parties, that Sun and General Hsu were to resign. The place of General Hsu has been taken by General Chang Kuo-kan, who belongs to the moderate military wing. Mr. Sun's position has not yet been filled, as Parliament has refused favorable action on the nominees suggested by the Premier.

As reported in my No. 1296 of the 9th instant,² the appointment of Mr. Tsao Ju-lin as special envoy to Japan has also been made a means of opposition to the Premier.

The carrying of party differences into the field of foreign relations has had the effect of delaying the settlement of the Lao Hsi Kai incident. The faction of Sun Hung-yi systematically instigated excitement about the Lao Hsi Kai matter in order to embarrass Tuan's Government. Parliament also refused consent to a loan of \$5,000,000, negotiated by the Minister of Finance with Japanese capitalists. The necessary reference of international agreements to Parliament is naturally used by the latter in an attempt to increase its power. The danger of this situation is that parliamentary action might be determined rather by party, than by national consideration.

It is feared that at any time a complete deadlock may arise between General Tuan's Cabinet and the Parliament, leading to the demand on the part of the militarists that Parliament, being an extralegal body, should be dissolved, and on the part of the parliamentarians that force should be met with force.

Most serious consequences would arise from such an open conflict. The Kuo Min Tang leaders in the south, under the guidance of Mr. Tang Shao-yi, are little inclined to compromise. It has been re-

² Not printed.

ported to me from various reliable sources that they are at the present time seriously contemplating the secession of the southern provinces and the establishment of an independent government south of the Yangtze should that be any open conflict in the north. They have attempted to gain over General Feng Kuo-chang, the Vice President, to their side, apparently with the purpose of raising a powerful opposition to the Pei Yang party in the north, powerful enough to overbear the military party of Tuan in a contest in which the south would then exercise the decisive influence.

The latest reports which have reached me indicate that General Feng has not committed himself to the southern Kuo Min Tang leaders, and that at the present time the secession of the southern provinces is the policy which appeals most to the Shanghai faction.

Men of moderate views in Peking believe that Tang Shao-yi should be invited to form a Cabinet; in this way, unity would be preserved and a test could be made of the possibility of governing through a parliamentary party. If the experiment should be successful, Chinese unity would be saved, if not, Mr. Tang Shao-yi's leadership would be eliminated in favor of more moderate men and the danger of secession would have been avoided.

There is, however, such an air of intense mutual suspicion and fear, that the leaders of the military party are little inclined to give over the reins of power to the opposition.

I have [etc.]

PAUL S. REINSCH

DEATH OF PRESIDENT YUAN SHIH-KAI AND SUCCESSION OF
PRESIDENT LI YUAN-HUNG

File No. 893.001Y9/15

The Chinese Minister to the Secretary of State

CHINESE LEGATION,
Washington, June 6, 1916.

SIR: It becomes my painful duty to inform you that His Excellency Yuan Shih-Kai, President of the Republic of China, died at Peking on the morning of the 6th instant at 10 o'clock, Vice President Li Yuan-hung, in accordance with the provisions of the Constitution of the Republic, assuming the duties of the high office and acting as President—who will formally take the oath of office as President on the morning of the 7th instant at 10 o'clock.

In communicating to you this sorrowful intelligence,

I avail [etc.]

VI KYUIN WELLINGTON KOO

File No. 893.001Y9/15

The Secretary of State to the Chinese Minister

No. 17

DEPARTMENT OF STATE,
Washington, June 8, 1916.

SIR: I have the honor to acknowledge the receipt of your note of Tuesday's date by which you officially convey the sad intelligence of the death on the morning of that day of His Excellency Yuan

Shih-Kai, President of China, and inform me of the assumption of the duties of that high office by Vice President Li Yuan-hung in accordance with the provisions of the Constitution of the Republic.

The President, in a telegram to His Excellency, Li Yuan-hung has expressed the deep sympathy of the Government and people of the United States in this sad bereavement which has befallen the people of your country as well as his personal sympathy, and that of Mrs. Wilson, for Madame Yuan, and the best wishes for the continued prosperity of the Chinese people under President Li's administration.

Accept [etc.]

ROBERT LANSING

File No. 893.001Y9/22

The President of China to the President

[Telegram]

PEKING, June 9, 1916.

On behalf of the Government and people of China, I thank the Government and people of the United States and yourself for your message of sympathy on the occasion of the death of President Yuan Shih-Kai. Madame Yuan desires me to express to Mrs. Wilson and yourself her heartfelt thanks for your kind expression of sympathy. Guided by the great ideas that have made the United States an enduring republic and a prosperous country, I hope to see realized your wishes for the prosperity of the Chinese people.

LI YUAN-HUNG

File No. 893.001Y9/23

Minister Reinsch to the Secretary of State

No. 1120

AMERICAN LEGATION,

Peking, June 14, 1916.

SIR: In conformity with the Department's telegraphic instructions directing the Legation to convey the sympathy of the Government of the United States, and of the Secretary of State, to the Chinese Government on account of the death of His Excellency Yuan Shih-kai, I have the honor to enclose herewith the translation of a note of the 9th instant which I directed to his excellency Tsao Ju-lin on this subject.

There is also enclosed herewith the Foreign Office's reply of June 10, requesting the Legation to inform the Department of the sincere gratitude offered by it.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1—Translation]

Minister Reinsch to the Acting Minister for Foreign Affairs

No. 460

AMERICAN LEGATION,

Peking, June 9, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of June 6, 1916, informing me of the sad death of His Excellency Yuan Shih-kai, President of the Republic of China, at 10 a. m., on June 6.

Upon receipt of your excellency's note I sent a telegram to my Government, and have now received an instruction directing me to convey to your excellency's Government the deep regret and sincere sympathy of the Government of the United States and of the Secretary of State.

I avail [etc.]

PAUL S. REINSCH

[Inclosure 2—Translation]

The Acting Minister for Foreign Affairs to Minister Reinsch

No. 481

FOREIGN OFFICE,
Peking, June 10, 1916.

SIR: I have the honor to acknowledge the receipt of your note No. 460 of June 9, 1916, stating that you had sent a telegram to your Government announcing the death of His Excellency President Yuan Shih-kai, and that you had received a reply directing you to convey to this Government the deep regret and sincere sympathy of the Government of the United States and of the Secretary of State. You were also good enough to call at the Ministry to offer condolences on behalf of your Government, for all of which we are deeply grateful.

I have the honor now to send this reply to express the sincere gratitude of my Government, and to request that you will be so good as to inform your Government and the Secretary of State.

With compliments,

[SEAL OF THE MINISTRY OF FOREIGN AFFAIRS]

File No. 893.001Y9/24

Minister Reinsch to the Secretary of State

No. 1134

AMERICAN LEGATION,
Peking, July 5, 1916.

SIR: I have the honor to inform you that on the 1st instant, during my temporary absence from Peking, President Li Yuan-hung's private secretary, Mr. Kuo, called at the Legation and stated to the Secretary of Legation that President Li, having been advised by telegraph by the Chinese Minister at Washington that President Wilson had personally attended a memorial service for the late President Yuan Shih-kai, had instructed him to make known to the Legation the President's appreciation of that action; and he added that President Li interpreted it not merely as a formal act of courtesy to the memory of President Yuan, but as an indication of President Wilson's personal interest in China; and he requested that this message be conveyed to the proper quarter. In undertaking to communicate this message in behalf of President Li, Mr. MacMurray expressed his appreciation of the interpretation placed on the action of President Wilson, who is, in fact, understood to feel a particularly keen personal interest in the welfare of China.

I have [etc.]

PAUL S. REINSCH

File No. 893.001L76

The Chinese Minister to the Secretary of State

No. 26

CHINESE LEGATION,
Washington, October 13, 1916.

SIR: I have the honor to enclose herewith an autograph letter addressed to the President of the United States of America by the

President of the Republic of China, accompanied by an English translation thereof.

I shall be greatly obliged if you will be so kind as to transmit the letter to its high destination.

Accept [etc.]

VI KYUIN WELLINGTON KOO

[Inclosure—Translation]

The President of the Republic of China to The President of the United States of America

Greeting:

Upon the death of our late President Yuan Shih-kai, I, in accordance with our Constitution which provides for the succession by the Vice President to the Presidency, assumed on the seventh day of the sixth month last (June 7, 1916) the duties of the office as President.

The friendly relations which have always existed between China and the United States I shall consider it my highest endeavor to maintain, to the end that the existing bonds of friendship between the two countries may be drawn closer.

I avail [etc.]

LI YUAN-HUNG

CHEN CHIN-TAO,
Acting Minister of Foreign Affairs

Written the fourth day of the ninth month in the Fifth Year of the Republic of China.

File No. 893.001L76

The Acting Secretary of State to the Chinese Minister

DEPARTMENT OF STATE,
Washington, October 19, 1916.

SIR: I have the honor to acknowledge the receipt of your note of the 13th instant, enclosing an autograph letter addressed to the President of the United States by which His Excellency Li Yuan-hung announces his assumption of the duties of the office of President of the Republic of China, in accordance with the Constitution of the Republic.

His Excellency's letter will be laid before the President whose reply will be delivered through the American Minister at Peking.

Accept [etc.]

FRANK L. POLK

File No. 893.001L76

The Secretary of State to Minister Reinsch

No. 517

AMERICAN LEGATION,
Peking, October 25, 1916.

SIR: I enclose, with office copy, a letter addressed by the President of the United States to His Excellency Li Yuan-hung acknowledging the receipt of his letter of September 4 last, in which he announced his assumption of the Presidency of the Republic of China.

You will forward the office copy to the Foreign Office and deliver the original in the manner most agreeable to His Excellency.

I am [etc.]

For the Secretary of State:
FRANK L. POLK

[Inclosure]

The President to the President of the Republic of China

THE WHITE HOUSE,
Washington, October 19, 1916.

GREAT AND GOOD FRIEND:

I have received the letter of the 4th of September last, in which Your Excellency announced your assumption, on the 7th day of June last, of the Presidency of the Republic of China and your entrance upon the duties of the office.

I cordially reciprocate the sentiments you express for the continuance of the friendly relations which have heretofore existed between the United States and China, and I assure Your Excellency of my best wishes for your personal welfare and for the prosperity of the Republic over which you have been called to preside.

Your good friend,

WOODROW WILSON

File No. 893.001L76/1

Minister Reinsch to the Secretary of State

[Extract]

No. 1294

AMERICAN LEGATION,
Peking, December 8, 1916.

SIR: I have the honor to report that, having received your instruction No. 517 of October 25, enclosing a letter from the President of the United States to the President of China, I asked for a special appointment and presented the President's letter to His Excellency Li Yuan-hung today.

President Li expressed his high gratification at receiving the President's communication, the sentiments of which he fully reciprocated. * * *

President Li also expressed his highest appreciation of the personal attention which President Wilson has given to Chinese affairs during the last four years, and especially the fact that whenever agreements concerning China had been made, the American Government had taken steps to safeguard the rights of China and the principle of equal opportunity. In conclusion, he admitted that he realized that America could help China best in a measure as China helped herself through introducing efficiency into her administration.

I have [etc.]

PAUL S. REINSCH

HUAI RIVER CONSERVANCY PROJECT. FURTHER EXTENSION OF THE RED CROSS OPTION. CONTRACTS BETWEEN CHINA AND AN AMERICAN FIRM FOR IMPROVEMENT OF THE GRAND CANAL IN KIANGSU AND SHANTUNG. INTERVENTION OF JAPAN AND RESERVATION OF RIGHTS BY THE UNITED STATES^{*}

File No. 893.811/204

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, January 4, 1916.

Your December 28. The Chinese Government would be willing to extend option but the expectation of people of Provinces concerned is that work ought to be begun. If bankers are willing to finance restoration of Grand Canal from the Yangtze to Tschow at cost not to exceed \$3,000,000 gold, on security of canal tolls estimated at \$500,000 gold yearly with Government guarantee, the Government will renew option. Canal would have exceedingly large carrying trade, work would be independently useful, and give engineers experience of the region for eventual use in larger enterprises.

REINSCH

File No. 893.811/205

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, January 10, 1916.

The American Red Cross requests you be informed following:

Believe American International Corporation would be interested Grand Canal project on lines suggested. If Chinese Government willing now extend option Hual River conservancy scheme on understanding that American International Corporation be given preference naming contractors and undertaking financing during duration such option, American International Corporation now prepared instruct Gregory [and] Carey investigate Canal project. If their report satisfactory and if on receipt their report corporation can arrange with Chinese Government satisfactory terms for purchase bonds, corporation now believes could undertake business. If foregoing basis acceptable, corporation hopes Minister will now place Gregory, Carey in touch with the proper Chinese officials.

LANISING

File No. 893.811/210

Minister Reinsch to the Secretary of State

No. 923

AMERICAN LEGATION,
Peking, February 4, 1916.

SIR: I have the honor to report that in pursuance of the plan outlined in my telegram of January 4, and sanctioned by your telegraphic instructions of January 10, I have arranged with the Chinese

^{*} Continued from For. Rel. 1915, pp. 212-216.

Government to grant an extension of the Huai River Preliminary Arrangement for four months from January 31, for the purpose of giving Messrs. Carey and Gregory the time necessary for investigating the Canal project as a separate undertaking. It has been arranged that in case the American representatives find the Canal project feasible and undertake the execution thereof, the American International Corporation is then to be granted the extended option for financing and carrying out the larger irrigation project in the Huai River region.

I have the honor to enclose the following correspondence relating to this matter:

To the Minister of Agriculture and Commerce, January 14, 1916.

From the Minister of Agriculture and Commerce, January 25, 1916.

From the Minister of Agriculture and Commerce, January 31, 1916.

Messrs. Carey and Gregory are planning to proceed, on February 7, on a tour to inspect the canal between the Yellow and Yangtze Rivers.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1]

Minister Reinsch to the Minister of Agriculture and Commerce

AMERICAN LEGATION,
Peking, January 14, 1916.

EXCELLENCY: I have the honor to inform you that, under the terms of the Preliminary Agreement of January 30, 1914, entered into between the Chinese Government and the American Red Cross, with respect to the drainage of the Huai River and Grand Canal areas, the following proposal is submitted:

It is suggested that the restoration of the Grand Canal, from the Yangtze River to Tientsin, be first undertaken, and that the Chinese Government allow the American International Corporation, which has been nominated by the American Red Cross, a period of four months to investigate the feasibility and cost of restoration of the Grand Canal. If the representatives of the corporation approve of the plan, the corporation will raise the necessary funds under a Chinese Government loan upon such security and at such a rate as is to be agreed upon between the Government and the corporation at that time. In case this work is to be undertaken, the American International Corporation, as nominee of the American Red Cross, would be given the option of carrying out the larger plan of draining the Huai River region, when the restoration of the Grand Canal shall have been completed. It is also suggested that, during the progress of the above work, the Chinese Government might provide funds from specified revenues sufficient to pay the necessary interest charges in order to apply the amounts borrowed, without deduction, to the accomplishment of the work.

I have the honor, in this connection, to introduce to your excellency Mr. W. F. Carey and Mr. E. T. Gregory, representatives of the Siam-Carey Company, who have been designated by the American International Corporation as its representatives in this matter. I beg also to request that your excellency will be so good as to introduce these gentlemen to his excellency Mr. Chin Pang-ping, Vice Minister of Agriculture and Commerce, and Chief of the Bureau of Conservancy.

I avail [etc.]

PAUL S. REINSCH

[Inclosure 2—Translation]

The Minister of Agriculture and Commerce to Minister Reinsch

PEKING, January 25, 1916.

SIR: I have the honor to acknowledge the receipt of your communication, in which you state that under the terms of the Preliminary Agreement of January 30, 1914, entered into between the Chinese Government and the American Red Cross with respect to the drainage of the Huai River and Grand Canal areas, there are two propositions which may be made. You introduce Messrs. W. F. Carey and E. T. Gregory, representatives of the Siems-Carey Company in China.

I have referred the matter to Mr. Chin, the Director General of the National Conservancy Bureau, for consideration, and now am in receipt of his reply, a copy of which I now enclose for your consideration.

With compliments,

CHOU TZU-CHI

[Subinclosure—Translation]

The Director General of the National Conservancy Bureau to the Minister of Agriculture and Commerce

JANUARY 24, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of the communication from the American Minister which you handed to me, setting forth two proposals, under the terms of the Preliminary Agreement of January 30, 1914, entered into between the Chinese Government and the American Red Cross, with respect to the drainage of the Huai River and Grand Canal areas, and also introducing Messrs. W. F. Carey and E. T. Gregory, of the Siems-Carey Company, representatives of the American International Corporation.

A communication was also received from the American Minister in the same sense as the above.

It is noted that the first proposal in the American Minister's communication is to restore the Grand Canal from the Yangtze River to Tientsin; also that in accordance with the conservancy area fixed upon in the Preliminary Agreement, that part relating to the Grand Canal is the Inner Grand Canal from Kwachow to Tsingkiangpu and from the point where the I and Ssu Rivers enter the Grand Canal up to Yao Wan. The preliminary agreement is still in force and it is not expedient to discuss changing it. This sincere and friendly effort on the part of the Americans is nevertheless much appreciated.

It happened that Pan Fu, Director General of the project for restoring the Southern Grand Canal and the Hu River in Shantung Province, had come to Peking to raise the funds required for this work. Messrs. Carey and Gregory having been invited to the Bureau to enter into negotiations, it was proposed that the administration of Shantung Province first enter into a foreign loan for restoring the Southern Grand Canal, the amortization, payment of interest, and security of which should all be arranged by Shantung Province. Furthermore, such matters as the employment of technical experts and the construction work to be decided by negotiation between the Province of Shantung and the parties making the loan. Before the loan agreement shall have been fixed notification thereof should be sent to the Central Government for its approval and recognition. The important points of these negotiations were explained to both parties. Messrs. Carey and Gregory stated that they would proceed at once to inspect the Southern Grand Canal. Director General Pan returned to Shantung day before yesterday to make arrangements. This Bureau will also send Fang Wei-yin, an engineer, and Yang Pao-ling, a technical expert, to make an additional inspection in order to meet its obligation to afford assistance and furnish information.

Your excellency is hereby informed of the status of the negotiations with the Americans Carey and Gregory, and the hope is expressed that you will take note thereof and inform the American Minister.

With compliments.

CHIN PANG-PING

[Inclosure 3—Translation]

The Chinese Minister of Agriculture to Minister Reinsch

PEKING, January 31, 1916.

SIR: On the 30th of January, 1916, I received a letter from Chin Pang-ping, Director General of the National Conservancy Bureau as follows:

You have handed to me the letter of the American Minister relating to the improvement of the Grand Canal from the Yangtze River to Tientsin. The Chinese Government has agreed to grant four months' time to the American International Corporation, recommended by the American Red Cross Society, for an investigation as to the way of carrying out the work. If this undertaking is really commenced then the American International Corporation shall be given the preference, after the improvement of the Grand Canal is completed, in the matter of the conservation work in the Huai River basin. I, the Director General of the National Conservancy Bureau, have already reported to you the results of my interview (with the representatives of the International Corporation) for transmission to the American Minister. Now the period for the consideration of the Huai River loan was extended for one year in January, 1915, so that the time expires on January 31, 1916. In order to show the friendly feeling which exists between China and America it is now proposed to give a further period of four months to the American International Corporation designated by the American Red Cross Society, in which to inspect the Grand Canal in the provinces of Shantung and Kiangsu. Within this period an estimate of the labor required for the above-mentioned Grand Canal must be presented and the terms of a loan must be settled. If the Bureau accepts the proposition made within this limit of time, preference will then be given to the Corporation in the large conservation work of the Huai River basin, after the completion of the above-mentioned work on the Grand Canal. Thus will be manifested and consolidated the friendship between the two nations. If within the above-mentioned four months matters cannot be settled, this Bureau will consider it decisive, and no extension of the time will be granted. You are asked to notify the American Minister and give me a reply.

Having received this communication I now inform your excellency and ask for a reply.

With compliments.

CHOU TZU-CHI

File No. 893.811/213

Minister Reinsch to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Peking, April 17, 1916.

Carey and Gregory have concluded preliminary contract with Shantung Government for the improvement of the Grand Canal in that province as part of Huai River conservancy. Construction work to be carried out by Carey.

The Chinese Government, under the Treaty of 1898, felt obliged to offer a participation in loan to Germans.

REINSCH

File No. 893.811/214

AMERICAN LEGATION,
Peking, April 20, 1916, 11 p. m.

The terms of Shantung Canal agreement as reported by Gregory to the International Corporation are the most favorable ever obtained by any foreign firm for a loan in China. Prompt ratification by the bankers highly desirable. There is nothing in the present situation that militates against security or advisability of a loan of this sort connected with recognized American undertaking.

REINSCH

File No. 893.811/215

AMERICAN LEGATION,
Peking, April 21, 1916, 6 p. m.

My telegram of April 20, 11 p. m. The loan is a provincial obligation guaranteed by the Chinese Government, a form which has advantage of gaining direct provincial support and security in addition to that of Central Government.

REINSCH

File No. 893.811/216

AMERICAN LEGATION,
Peking, April 27, 1916, 9 p. m.

My telegram of April 21, 6 p. m. Grand Canal loan negotiated with great caution by Gregory, Carey, who obtained terms I consider almost too severe for China.

The Chinese Government observed treaty with Germany by giving notice.

No treaty obligation has accrued in favor of Japan; at any rate obligation purely one of Chinese Government in connection with which no liability could attach to bankers whose obligations so profitable and universally beneficial enterprise.

It is difficult [sic] to see the Government is also ready to conclude agreement for Kiangsu portion which could be undertaken first if desirable. It is of capital importance that a contract in connection with Huai conservancy be concluded, otherwise another glaring instance added to past deplorable failures of American finance in China.

REINSCH

File No. 893.811/221

Minister Reinsch to the Secretary of State

[Extract]

No. 1056

AMERICAN LEGATION,
Peking, April 28, 1916.

SIR: In continuation of my despatch No. 923 of February 4 last, I have the honor to report on the progress of the negotiations with respect to the improvement of the Grand Canal, in connection with the Huai River Conservancy.

When the negotiations were taken up by Messrs. Carey and Gregory, the Minister of Agriculture and Commerce emphasized the desire to have the improvement include the entire course of the Canal between the Yangtze and Yellow Rivers. This is desirable from the point of view of income and utility; if the use of the Canal could be assured at all times of the year, a large and profitable through traffic could be counted upon between the two rivers and between the two provinces (Shantung and Kiangsu) through which the Canal passes. In consultation with the Minister of Agriculture and Commerce and with the Director of the Conservancy Bureau, the American negotiators decided to take up first the Shantung section. I had expressed to them the opinion that it was preferable to make the Kiangsu contract first; they were, however, determined by the fact that the situation with respect to Shantung had some

very favorable elements. The gentleman in charge of conservancy work there, Mr. Pan Fu, is an official of unusual ability and energy. He has made a complete survey of the works needed which he has put forth in a large size printed volume. Both Mr. Pan and the Governor of Shantung were extremely anxious to have this work undertaken as it would very materially enrich the western part of the province. The Government of Shantung was therefore in every possible way very ready to facilitate the making of the contract and the execution of the work.

Attention being called to the provisions of the treaty with Germany of 1898, the Chinese officials stated to the American negotiators that there was nothing to apprehend on this score: the German Consul at Tsinanfu had been given notice, but it was unlikely that the Germans were willing to furnish this amount at the present time; no other rights in the matter had accrued as yet, and the Chinese officials expressed a complete confidence in being able to handle the situation. As it was only the obligations of the Chinese Government that were involved, the American negotiators proceeded on the basis of these assurances.

The negotiations with the Shantung officials were carried on at Tsinanfu and Peking for the space of four weeks, and every detail of the contract was carefully considered. The result was the making of a preliminary contract which provides both for the furnishing of the loan and for the execution of the work on contract. Considering all its terms, the contract may be held to be the most favorable ever obtained by foreigners in China; this is especially true because of the first actual use of a contract for construction work on a ten per cent (10%) commission basis. The Chinese hitherto have been unwilling to make use of this established method of carrying out large works of construction, partly because they believe they could themselves sublet the contracts and supervise the work as well as foreigners, and partly because the introduction of a foreign supervising firm greatly reduces the opportunity for incidental gains. That the officials in this case decided to use a method hitherto so unacceptable is a sign of decided progress in official ideas. The first introduction of this idea occurs in the preliminary agreement for the Huai River conservancy of January 30, 1914.⁷

Negotiations are at present proceeding and are likely soon to be concluded for a contract covering the work on the southern portion of the Canal, lying within the Province of Kiangsu; when this has been secured it will practically lie within the option of the bankers to attack the Kiangsu portion first and to delay action on the Shantung section until all possibility of international difficulty has been removed by the Chinese. The Chinese were desirous of having a definite offer from American financiers on this matter because then they would be in a position to demand of any eventual claimant immediate furnishing of the money, which they believed would result in clearing the field of every possible opposition.

I have [etc.]

PAUL S. REINSCH

⁷ For. Rel. 1914, p. 102.

File No. 893.811/217

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, May 15, 1916.

Contract for improvement Grand Canal in Kiangsu providing for loan of \$3,000,000 secured by canal tolls has been signed subject to the approval of directors American International Corporation. Highly desirable that ratification should not be delayed.

REINSCH.

File No. 893.811/223

Minister Reinsch to the Secretary of State

No. 1072

AMERICAN LEGATION,
Peking, May 15, 1916.

SIR: In continuation of my despatch No. 1056 of April 28, 1916, I have the honor to report on the progress of the negotiations with respect to the improvement of the Grand Canal, in connection with the Huai River conservancy.

In the absence of Mr. Gregory, Dr. T. J. Gatrell has been authorized to negotiate on his behalf as the representative of the American International Corporation. He was given the assistance of the Legation and particularly of the Chinese Secretary, Dr. Tenney. The problem which presented itself was to so frame the contract for the improvement of the Grand Canal in the Province of Kiangsu as to carry out the understanding that it was the first step in the execution of the Huai River conservancy plan, while at the same time giving opportunity to the American interests to ascertain more thoroughly the exact nature of the drainage work to be done in the Huai River basin, the cost thereof, and the security, before absolutely committing themselves to a definitive obligation with respect to the larger work.

H. E. Chin Pang-ping, Minister of Agriculture and Commerce, in his capacity as Director General of the National Conservancy Bureau, insisted that it would not be feasible to separate the work in the Huai River basin from that on the Grand Canal, as otherwise the Grand Canal project would become one entirely within the purview of the provincial authorities of Kiangsu and also the Central Government would be severely criticized for postponing or abandoning the larger work.

In order to meet the situation and in order clearly to indicate that the canal improvement is considered entirely as the first step in the Huai River plan, of which it is an integral part, the following arrangements were made: It was agreed that expert engineers would immediately be appointed to investigate the conditions relating to all the other works included in the Huai River conservancy and to draw up detailed plans for the carrying out of the same, which are to serve as a basis for raising a further loan or loans in order to complete said works. In an exchange of notes between the American Minister and the Minister of Agriculture and Commerce, acting in

his capacity as Director General of the National Conservancy Bureau, it was agreed that the preliminary agreement concluded on January 30, 1914, would remain in force throughout the period of execution of the Grand Canal improvement, and that within this period a final agreement should be drawn up for carrying out the necessary work on the Huai River conservancy on the basis of the further investigations and reports of the engineers.

Copies of the contract relating to the Grand Canal in the Province of Kiangsu, as well as the exchange of notes² above referred to are herewith enclosed. There is also enclosed a copy of the agreement previously concluded with respect to the portion of the Grand Canal in Shantung Province, reported on in my despatch No. 1056 of April 28; as well as the copy of a general edict on the conservancy issued February 24, 1916.

With respect to the contract relating to the Shantung portion of the Grand Canal, I have the honor to report that H. E. the German Minister, as indicated in my cablegram of April 21, has informed his Government that a contract has been concluded with American interests for the execution of the Canal improvement in the Province of Shantung, and that, under the treaty of 1898, participation in the loan is offered to German capitalists. On account of the necessary slowness in communication, no reply has yet been received from the German Government. The representatives of the American International Corporation stated to me that they had no objection to part of the money being furnished from German sources.

The contract relating to the Grand Canal in Kiangsu Province was signed by Dr. Gatrell subject to ratification by the directors of the American International Corporation. It is of great importance that this ratification should be promptly forthcoming. The contract is extremely favorable both in the matter of security and particularly in granting a ten per cent commission to the construction company. The work on the Huai River improvement is so prominently associated with American standing in China, is so eminently useful and beneficial, that it should be undertaken without delay. Under the present arrangement the larger reclamation work can now be thoroughly tested and the best mode of execution can be considered from every point of view before any further commitment is necessary.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1]

AGREEMENT FOR HUAI RIVER CONSERVANCY GRAND CANAL IMPROVEMENT LOAN

Whereas, on January 30th, 1914, a Preliminary Agreement was signed by the Government of the Republic of China and the American Red Cross for the carrying out of certain works included in the Huai River conservancy,³ and which works would be of great humanitarian benefit, and

Whereas, it has been deemed advisable that, in order to assist in the carrying out of this work, the improvement of that portion of the Grand Canal which is included in the Huai River conservancy shall be undertaken as a first step: and

² Not printed.

³ For Rel. 1914, p. 102.

Whereas, the American International Corporation, hereinafter called "the Corporation", is willing to provide funds to carry out the said improvement of the Grand Canal, the Government of the Republic of China, hereinafter called "the Government", and the American Red Cross Society agree that this shall be done on the understanding that, during the progress of the said work, the Corporation will recommend to the Government for appointment expert engineers to investigate and report upon the most recent conditions relating to all the other works included in the Huai River conservancy scheme and to draw up detailed plans for the carrying out of the same, to serve as a basis for its arrangements for raising a further loan or loans in order to complete the whole of the said Huai River conservancy works:

Now therefore, the Government and the Corporation have agreed as follows:

Article I. The Government hereby authorized the Corporation, and the Corporation agrees, to issue on behalf of the Government a gold loan, under terms and conditions hereinafter set forth, for an amount not exceeding Three Million Dollars U. S. Currency (G\$3,000,000.) The loan shall be called the Huai River Conservancy Grand Canal Improvement Seven Per Cent Gold Loan of 1916.

Article II. The rate of interest for the loan shall be seven per cent (7%) per annum on the aggregate amount of the loan, and shall be paid punctually by the Government to the bondholders upon presentation of the proper coupons half-yearly through the bank or banks designated by the Corporation, in accordance with the schedule attached to this agreement.² The said interest shall be calculated from the date on which the loan is issued and shall be paid out of revenues from the Canal fifteen (15) days before due date to the bank or banks designated by the Corporation. Should the revenues be insufficient to meet the amounts required for interest, the Government agrees to make up the deficiency from other sources.

The term of this loan shall be twenty (20) years. The loan shall be redeemed in fifteen (15) equal annual installments, dating from the fifth (5th) year of issue, by drawings which shall be held in New York at the office of the Corporation in conformity with the amortisation table hereto attached.² The numbers of drawn bonds shall be published in four (4) daily newspapers at the expense of the Corporation. Drawn bonds shall be paid in gold at their face value. Bonds presented for payment must be surrendered together with their proper coupons. Interest on drawn bonds ceases on the day of drawing. If after five (5) years from the date of the issue of the loan the Government shall desire to redeem the whole or any portion of the loan, it may do so by paying a premium of one and one-half (1½%) per cent on the par value of the bonds, but in each and every case of such extra redemption the Government shall give six (6) months previous notice in writing to the Corporation, and such extra redemption shall be effected by additional drawings of bonds to take place on the date of an ordinary drawing as provided for in the prospectus of the loan. The redeemed bonds and interest coupons will be received and cancelled by the Corporation when they shall be presented for payment.

The Corporation is hereby authorized to issue to subscribers to the loan gold bonds to the total amount of the loan or for such portion as shall be determined by them. The form and language of the bonds shall be settled by the Corporation. The bonds shall be printed and engraved by the Corporation at the expense of the Government, and before being issued shall bear the facsimile signature and seal of the Minister of Finance of the Government of the Republic of China. The Chinese Minister in Washington, shall, previous to the issue of the bonds, authenticate them with a facsimile of his signature and seal so as to prove that the issue of bonds has been duly authorized and is a binding obligation of the Chinese Government.

Article III. This loan shall constitute a direct liability and obligation of the Government of the Republic of China, which hereby pledges its good faith and credit for the punctual payment of the principal and interest of the loan and for the performance of all undertakings on its part herein assumed. The loan shall be secured as follows:

All tolls and taxes, exclusive of *licin*, now levied or to be levied on the Grand Canal in Kiangsu Province and which the said Government

² Not printed.

guarantees to be Six Hundred Thousand (\$600,000.) Mexican Dollars. In case the said tolls and taxes should not equal this amount, the Government will make up, from other sources, whatever deficiency there may be so that the amount available shall at all times equal Six Hundred Thousand (\$600,000.) Mexican Dollars.

Article IV. The loan shall be issued in one or more series of bonds as soon as possible after the signing of this agreement. The issue price of the bonds to the Government shall be ninety percent (90%) of their face value. All expenses, such as banker's commission, flotation charges, stamp charges, etc., shall be borne by the Corporation.

As soon as possible after the signing of this agreement there shall be transferred to the bank or banks in China designated by the Corporation and put to the credit of the Huai River Conservancy Grand Canal Administration Account, six (6) months' estimated expenditure in advance. This amount of estimated expenditure for six (6) months, which shall be determined by the Director-General in consultation with the Engineer-in-Chief, shall be maintained by subsequent monthly transfers so that, as far as possible, there will be always six (6) months' estimated expenditure in China on deposit. Interest at the rate of four (4%) percent per annum shall be allowed by the banks on this deposit. The balance of the proceeds of the loan shall be held on deposit in America for the service of the loan. Interest at the rate of two (2%) percent per annum shall be allowed the Government as long as any portion of this balance shall remain on deposit.

Requisitions for loan funds for the carrying out of the engineering work shall be drawn up by the Engineer-in-Chief and forwarded to the Director-General for his approval, who, before endorsing same for presentation to the banks for payment, shall consult with the Contracting Engineer as to the feasibility of the work proposed and the reasonableness thereof, and the Contracting Engineer shall furnish a certificate to the Director-General to the effect that the work proposed is feasible and the cost reasonable.

When the work is ready to begin, a Head Works Bureau, to be called the "Huai River Conservancy Grand Canal Improvement Works Bureau," shall be established at Tsing-Kiang-Pu. This office shall be under the direction of a Chinese Director-General appointed by the Government, with whom will be associated an American Chief Engineer and an American Chief Accountant. These employees shall be proposed and certified for their posts by the Corporation, and shall be appointed by the Director-General. If the American Chief Engineer or the American Chief Accountant should prove untrustworthy, the Director-General shall duly inform the Corporation and dispense with their services, and the Corporation shall nominate their successors; and in the event of the Corporation desiring to remove them for good cause, it shall do so in consultation with the Director-General. It is understood that the duties performed by these employees are intended to promote the material interest of the Chinese Government and the bondholders respectively, and it is therefore agreed that all cases of difference arising therefrom shall be referred for amicable adjustment to the Director-General and the representative of the Corporation.

Any consulting engineer representing the Director-General who shall be under orders to inspect the progress of the work shall be afforded reasonable facilities for such inspection.

Statements of the receipts and disbursements shall be made monthly in Chinese and English in the Department of the Chief Accountant, who shall organize and supervise the same and who shall report thereon for the information of the Director-General and the Corporation.

The salaries of the Chief Engineer and Chief Accountant, and the salaries and expenses of the engineers to be engaged to make the investigations concerning all the other Huai River conservancy works referred to in the preamble to this agreement, shall be arranged between the Director-General and the Corporation, and shall be paid out of loan funds.

Article V. As soon as required after the signing of this agreement the Head Works Bureau shall establish a Canal Department Office, which office shall have charge of the collection of all the tolls and taxes defined in Article III of this agreement, and the revenue so collected shall be paid into the fiscal agency of the Corporation to be applied to the interest and amortisation of the loan until such interest and amortisation have been paid in full.

The organization and management of this Canal Department Office shall be under the control of the Director-General, who will be assisted by the American Chief Accountant.

Article VI. The work shall be performed on a percentage basis by contractors designated by the Corporation, who shall be a concern of known reputation, of high standing, and who have had large experience in the successful carrying out of great construction enterprises, and in whom the Corporation have the utmost confidence that the work intrusted to their care shall be carried out rapidly, efficiently, and economically.

This concern shall open a Head Office in Peking, China, wherein the principal accounts and records of this work shall be kept. These accounts and records shall be open at all times for inspection by the Director-General, the Corporation, or their appointees, and any information which has a direct bearing in any way upon the work shall be at all times placed at their service. In addition, if required by the Government, a complete set of accounts in connection with the carrying out of this enterprise shall be kept in Chinese and statements issued monthly to the Director-General and the Corporation.

The contractors shall give their personal attention to this enterprise and it is hereby agreed that they shall receive as remuneration ten per cent (10%) of the monies expended upon the work. No charge, however, shall be made by the contractors to the Government for their head office herein mentioned or the staff employed therein, nor shall the contractors charge for their personal supervision or personal expenses.

Article VII. In the purchase of materials preference shall be given to Chinese materials when price and quality are equal, otherwise American materials and machines will be used when the price does not exceed the price of the same quality in other foreign markets.

The Chief Engineer shall be instructed at once to make a plan of the work to be done, which plan is to be approved by the Director-General in consultation with the Contracting Engineer, who shall submit a detailed scheme of procedure.

Article VIII. The Government will at all times provide sufficient protection for the work and all properties of the corporation as well as Chinese and foreigners employed thereon, and the Chief Engineer may apply to the Director-General for such protection whenever he deems it necessary.

Article IX. The Corporation may, subject to all its obligations under this agreement, transfer or delegate all or any part of its rights, powers, and discretions thereunder to any American corporation, directors, or agents, with power to further transfer and subdelegate; such transfer, subtransfer, delegation or subdelegation to be subject to the approval of the Government.

Article X. In the event of any bond or bonds issued by this loan being lost, stolen, or destroyed, the Corporation may notify the Minister of Finance of the Republic of China and the Chinese Minister at Washington, who shall authorize the Corporation to insert an advertisement in the public newspapers stating the payment of such bond or bonds has been stopped, and to take such other steps as may appear advisable or necessary according to the laws and customs of the country concerned. Should any bond or bonds be destroyed, or should such lost or stolen bond or bonds not be recovered after a lapse of time to be fixed by the Corporation, the Chinese Minister at Washington shall execute a duplicate bond or duplicate bonds for a like amount and deliver the same to the Corporation representing the owner or owners of such lost, stolen, or destroyed bond or bonds, which Corporation shall pay all expenses in connection with such delivery and execution of such duplicate bond or bonds for the account of the owner or owners of such bond or bonds.

Article XI. This agreement is executed in triplicate in English and Chinese; one copy to be retained by the Government, one by the United States Minister in Peking, and one by the Corporation; and should any doubt arise as to the interpretation of this agreement, the English text shall be accepted as the correct one.

Article XII. This agreement is signed subject to ratification by His Excellency, the President of the Republic of China, and to confirmation by the Directors of the American International Corporation, and shall not become valid until the actual fact of the aforesaid ratification and confirmation has been officially communicated by both contracting parties hereto to the American Minister in Peking.

Signed at Peking this thirteenth day of the fifth month of the fifth year of the Republic of China, being the thirteenth day of May, Nineteen Hundred and Sixteen, Western Calendar:

For the Government of the Republic of China,

Director-General of the National Conservancy Bureau of China

For the American International Corporation,

*On Behalf of Ernest T. Gregory, Representative
of the American International Corporation*

ANNEX

With reference to the Huai River Conservancy Grand Canal Improvement seven (7%) per cent Gold Loan of 1916, signed this day, it is understood by the contracting parties thereto that if, before the publication of the prospectus for the issue of this loan, any political or financial crisis should occur affecting the money markets of the prices of Chinese Government securities in such manner or to such degree as, in the opinion of the Corporation, will render impossible the successful flotation and issue of this loan on the terms herein named, the Corporation shall be granted a period of six (6) months from the date on which this agreement shall have been signed within which to issue the loan to the public. If on the expiration of this period the markets are still unfavorable, then the Corporation shall be entitled to ask the Government for extension of time. If the Government should refuse to grant the extension of time requested, this contract shall become null and void, subject always to the repayment to the Corporation with accrued interest of any loan funds which may have been advanced by them subsequent to the signing of this agreement.

Signed at Peking this thirteenth day of the fifth month of the fifth year of the Republic of China, being the thirteenth day of May, Nineteen Hundred and Sixteen, Western Calendar:

For the Government of the Republic of China,

Director-General of the National Conservancy Bureau of China

For the American International Corporation,

*On behalf of Ernest T. Gregory, Representative
of the American International Corporation*

[Inclosure 2]

The Director General of the National Conservancy Bureau to Minister Reinsch

May 12, 1916.

SIR: I have the honor to acknowledge the receipt of your communication of the 10th instant, and have duly noted that the American International Corporation, recommended by the American Red Cross Society is now proposing to undertake the improvement of the Kiangsu section of the Grand Canal as a part of the Huai River conservancy scheme. This bureau recognizes this as proof that the said Corporation or other nominee of the American Red Cross Society consents to undertake the work of the Huai River conservancy and to assume the obligations which devolve on the American Red Cross Society, its representative or successor, by the terms of the Preliminary Loan Agreement between the Chinese Government and the American Red Cross Society which was signed January 30, 1914.* Therefore on making this contract with the said Corporation it is agreed that the Preliminary Agreement between the Chinese Government and the American Red Cross Society signed on January 30, 1914, and extended for periods of one year and four months respectively,† will remain in force throughout the period of time during which the said Corporation is engaged on the work of the Kiangsu section of the Grand Canal. The said Corporation, or other nominee of the American Red Cross Society, shall, within the period during which the above mentioned work is proceeding, draw up a final agreement in accordance with the terms of the

* For. Rel. 1914, p. 102.

† For. Rel. 1915, p. 212.

Preliminary Agreement, for carrying out all the work of the Huai River conservancy and arranging for the loan. I now send this reply in order to make the situation clear, and trust that you will note the same and make it a matter of record.

CHIN PANG-PING

[Inclosure 3]

AGREEMENT FOR SOUTH GRAND CANAL OF SHANTUNG PROVINCE IMPROVEMENT LOAN

Whereas, the Government of Shantung Province with the approval of the Central Government of China is desirous of improving the South Grand Canal in Shantung Province and reclaiming certain land areas; and,

Whereas, this part of the Grand Canal is intimately related the Grand Canal within the scope of the Huai River Conservancy scheme, since it forms the upper regions of the latter, and as the benefits which will accrue to the people from the work are exceedingly great, the American International Corporation has been asked to arrange a loan to carry out the work, and the following agreement has been entered into:—

Hereinafter the Government of Shantung is called the "Government", and the American International Corporation the "Corporation".

Article I. The Government authorizes the Corporation to issue a gold loan on the terms and conditions hereinafter set forth for an amount not exceeding three million dollars (\$3,000,000) U. S. currency. This loan shall be called the South Grand Canal of Shantung Province 7% Improvement Gold Loan.

The denomination, wording and design of the bonds shall be determined by the Corporation, and all expenses incurred in connection therewith shall be borne by the Corporation; but the cost of engraving and printing the bonds shall be borne by the Government, which shall also furnish a facsimile of its signature and seal to be engraved on the bonds. The Chinese Minister in Washington, shall, previous to the issue of the bonds, also furnish a facsimile of his signature and official seal to be engraved on the bonds to signify the sanction of the Chinese Government to their issue and as a proof of the binding obligation of the Chinese Government.

The first issue of the bonds shall be for two million five hundred thousand dollars (\$2,500,000) U. S. currency at ninety (90%) per cent and shall be issued as soon as possible after the signing of this agreement. In the event that the Government should desire to issue any part of the balance of the loan, the Corporation shall be given the option to purchase same at the market rate at the time the issue is made. All expenses such as banker's commission, flotation charges, stamp charges, etc., shall be borne by the Corporation.

Article II. The rate of interest for the loan shall be seven (7%) per cent per annum on the aggregate amount of the bonds issued. After the signing of this loan agreement the Corporation will set aside the whole amount of the present issue and place it to the credit of the South Grand Canal Conservancy Account. Within six (6) months the Government shall pay the first interest coupon, and the amount of this interest shall also be placed to the credit of the South Grand Canal Conservancy Account. All subsequent interest payments shall be made in semiannual instalments according to the amortization table hereto annexed. Thereafter, all unused funds deposited in China shall bear interest at the rate of four (4%) per cent per annum, and the unused balance deposited in America shall bear interest at the rate of two (2%) per cent per annum. The amount deposited in China shall at all times be kept at such a figure as to be sufficient for six (6) months use.

Article III. The term of this loan shall be thirty (30) years. This loan shall be redeemed in twenty-five (25) equal annual instalments, dating from the fifth (5th) year of issue, by drawings which shall be held in New York at the office of the Corporation in conformity with the amortization table annexed hereto. The serial numbers of bonds drawn shall be published in four (4) daily newspapers at the cost of the Corporation. Drawn bonds shall be paid in gold at their face value. Bonds presented for payment must be surrendered together with their proper coupons. Interest on drawn bonds ceases on the day of drawing.

If after five (5) years from the date of the loan, the Government should desire to redeem the whole or any portion of this loan not yet redeemed, it

may do so by paying a premium of one and a half (1½%) per cent on the par value of the bonds not yet redeemed. But in each and every case of such extra redemption the Government shall give (6) months previous notice in writing to the Corporation, and such extra redemption shall be affected by additional drawing as provided for in the prospectus of the loan. The redeemed bonds and interest coupons will be received and cancelled by the Corporation when they shall be presented for payment.

Article IV. This loan shall be secured by the lands which are to be reclaimed owned by the Government of Shantung Province, which said Government declares to be approximately three hundred thousand (300,000) mow. The Government declares that this land is not mortgaged at the present time and that it will not create a mortgage upon the lands during the term of this loan which will rank equal or prior to this loan.

This loan shall be further secured by all revenues of the Government derived or which may be derived from the Government lands affected by the proposed work, and also by additional revenues from the sale of, lease of or taxation of all reclaimed and/or improved lands, as well as any special taxes which may be levied by the Government on lands benefited by this construction work.

It will further be secured by all taxes derived or to be derived from all other lands affected by this improvement which the Government estimates to be approximately five hundred thousand (500,000) mow.

It shall further be secured by all tolls and taxes now derived or to be derived from the use of the South Grand Canal in Shantung Province during the life of this loan.

The Government hereby certifies that the estimated area of the above named districts amounts to eight hundred thousand (800,000) mow, and the area is to be confirmed by a map made after an actual survey.

It shall further be secured by all machinery and tools purchased by loan funds.

In case the said revenues prove insufficient, the Government undertakes to make good the deficiency with other revenues provided for in the budget of Shantung Province. If no money is available for repayment on the due dates, then after a reasonable number of days of grace the Corporation shall supervise the collection of the revenues pledged as security for this loan, and such supervision shall last until the outstanding amounts are all repaid.

The director general shall be intrusted with the duty of managing and improving the reclaimed lands and the canal.

The Government agrees to set apart a portion of the surplus receipts turned over to the Government by the Conservancy Bureau for the maintenance of the canal.

All receipts in connection with the securities mentioned in this article shall be handled by the Conservancy Works Bureau and shall be deposited in the bank designated by the Corporation and the Government to meet the payments due for interest and repayment of principal of the loan. Any surplus left over shall be placed at the disposal of the Government. The above mentioned receipts are to be included in the Government's budget.

Article V. The proceeds of the loan are only to be utilized for the improvement of the South Grand Canal in Shantung Province, commencing at Pang Chia-kou and Lan-huang Pa in the North, and ending at Wei Shan Hu and Tai-erh-chuang in the South, and for such extensions as may be required, as well as for work in direct connection with the valley of the Wen and Ssu Rivers, the Po River and marshes and other tributaries of the main canal, and for the improvement of the reclaimed lands.

The Government will furnish the Corporation as soon as possible after the signing of this agreement maps showing the lands which will be reclaimed by the proposed work and which have been designated as security for this loan.

The work shall be completed within thirty (3) (30?) months from the signing of this agreement unless delayed by some unforeseen occurrence.

Article VI. Upon the commencement of this work the Government shall with the approval of the Chinese Government, appoint a director general, who shall established a Head Works Bureau at Tsining-Hsien. In this bureau there shall be three (3) responsible departments, namely:—

(1) A general affairs department with an officer in charge appointed by the director general. This department shall take charge of all work in connection with miscellaneous affairs.

(2) An engineering department in charge of an American chief engineer. This department shall take charge of all work in connection with the engineering operations.

(3) An accounts' department in charge of an American chief accountant. This department shall have charge of all receipts and disbursements connected with the fulfillment of this loan agreement.

Whatever is done by these three (3) departments must be submitted to the director general for his approval.

All disbursements from the proceeds of the loan shall be made only after the approval of the director general. The American chief accountant is to be appointed by the director general at the recommendation of the Corporation.

Article VII. The Government shall ask the Corporation to recommend a well qualified person to be selected and appointed as chief engineer by the director general.

The qualifications of this chief engineer shall be the following: Five years experience in the engineering work of a well known river; an engineer who enjoys the best professional reputation.

The chief engineer shall be instructed at once to make a plan for the improvement of the Canal and the draining of lands as specified in Article V; which plan is to be approved by the director general in consultation with the contracting engineer who shall submit a detailed scheme of procedure.

If the American chief engineer or the American chief accountant should prove untrustworthy, the director general shall duly inform the Corporation and dispense with their services and the Corporation is to nominate their successors.

The salaries of the chief engineer and the chief accountant shall be arranged between the director general and the Corporation.

Any consulting engineer or other representative of the director general who shall be under his orders to inspect the progress of the work shall be afforded reasonable facilities for such inspection.

Article VIII. The engineering work shall be executed by a contracting firm which shall receive a remuneration at a certain percentage of the total cost of the work. The contracting firm shall possess excellent professional reputation, have ample experience and have to its record the execution of a great construction work. The Corporation may recommend to the director general for approval and appointment any contracting firm which they believe to be capable of doing this work speedily, durably and economically. The contracting firm shall actually supervise the work, and the procedure to be adopted in any work shall be submitted to the director general for approval. The contracting firm shall receive a remuneration amounting to ten (10%) per cent of the total cost of this work, besides which the contracting firm shall not demand any other fee.

Article IX. The Government will provide sufficient protection for the work and all properties of the Corporation as well as for Chinese and foreigners employed thereon.

Article X. The Corporation may, subject to all its obligations under this agreement, transfer or delegate all or any part of its rights, powers and discretions thereunder to any American corporation, directors or agents with power to further transfer and subdelegate. Such transfer, subtransfer, delegation or subdelegation to be subject to the approval of the Government.

Article XI. In the purchase of materials preference shall be given to Chinese materials when price and quality are equal.

Article XII. In the event of any bond or bonds issued by this loan being lost, stolen or destroyed, the Corporation may notify the Chinese Minister at Washington who shall authorize the Corporation to insert an advertisement in the public newspapers stating that the payment of such bond or bonds has been stopped, and to take such other steps as may appear advisable or necessary according to the laws and customs of the country concerned. Should any bond or bonds be destroyed, or should such lost or stolen bond or bonds not be recovered after a lapse of time to be fixed by the Corporation, the Chinese Minister at Washington shall execute a duplicate bond or bonds for a like amount and deliver the same to the Corporation representing the owner or owners of such lost, or stolen or destroyed bond or bonds, which Corporation shall pay all expenses in connection with such delivery and execution of such duplicate bond or bonds for the account of the owner or owners of such bond or bonds.

Article XIII. All bonds, coupons and payments made and received in connection with the service of this loan shall be exempt from all Chinese taxes and imposts during the currency of this loan.

The Corporation is hereby authorized to appoint an agent to act as trustee for the bondholders.

Article XIV. This agreement is executed in quadruplicate in Chinese and English; one set to be retained by the Government of Shantung Province; one by the Central Government; one by the United States Minister in Peking and one by the Corporation; and should any doubt arise as to the interpretation of this agreement, the English text shall be accepted as the correct one.

Article XV. This agreement shall take effect as soon as it has been approved by the President of the Chinese Republic, and it will be automatically cancelled as soon as the entire amount of the principal and interest of the loan is paid.

Signed at Tsinan-fu, Province of Shantung, this nineteenth day of April, 1916.

Signed by: _____,

Representing the Shantung Government

ERNEST T. GREGORY,

Representing the American International Corporation

Witness:

W. F. CAREY

ANNEX

Regarding the security named in Article IV of this agreement; since there are definite plans which forecast a good prospect for the revenues of the next year from the renting and sale of reclaimed land in the districts of Tung Pin, Tsining and Yutai, and from calamity stricken private owned lands, which are to be improved by the conservancy work, and from the additional taxes collected from the use of the South Grand Canal; and since, moreover, in Article IV the Government guarantees to make good any possible deficiency in the revenues with other revenues provided in the budget, the Government's sincerity in the matter is amply demonstrated. In appreciation of the Corporation's kindly sentiments, and in order to further demonstrate the importance it attaches to its good credit, it is hereby stipulated that three hundred thousand (\$300,000) Mexican dollars will be set aside yearly from the land tax of the Shantung Government as a reserve fund for making good any possible deficiency in the loan service funds. The Shantung Government will duly petition the Central Government to the effect that in no year will the above specially reserved fund be drawn upon before the payments due on account of this loan have been fully met.

Signed at Tsinan-fu, Province of Shantung, this nineteenth day of April, 1916.

Signed by: _____,

Representing the Shantung Government

ERNEST T. GREGORY,

Representing the American International Corporation

Witness:

W. F. CAREY

[Inclosure 4]

MANDATE

The State Department has been instructed to issue the following mandate:

FEBRUARY 23.

The development of agricultural enterprises depends solely on proper irrigation. So long as the rivers can be kept within their proper courses and the various tributaries continue to flow freely, inexhaustible benefit will accrue from irrigation with absolutely no possibility of the embankments breaking. It can be said without contradiction that irrigation is attended with nothing but benefits. In our arduous duties day and night the affairs of the people occupy our first attention. The problems which have attracted our special attention are the rivers in the environs of the Capital, the Huai Ho in Kiangsu and Anhui, the Sikiang in Kuangtung, and Tungting Lake in Hunan.

The question of irrigation is a life and death question to the people; it is, therefore, our resolve that it shall be grappled with. We, however, are compelled gradually to attack the problem as the financial capacity of the country is limited. Hsu Shih-kuang has already been appointed director general of all affairs relating to the deepening of the rivers round about the Capital; while Tan Hsueh-heng has been made responsible for the dredging of the Sikiang. For the task of finding outlets for the Huai River the National Irrigation Bureau has already formulated the mode of procedure. Work on the rivers round about the Capital has already begun; but similar work on other rivers has been postponed through either the difficulty of raising funds or the failure of negotiating loans. On the other hand it must be remembered that however great the difficulties, perseverance will prevail in the end. Tan Hsueh-heng is hereby ordered to cooperate with Chang Min-chi in forwarding the progress of the various river works under their charge. The National Irrigation Bureau shall be held responsible for the work of finding outlets for the Huai Ho and the dredging of the Tungting Lake. The said bureau shall, with the cooperation of the authorities of the provinces concerned, set to work in this direction. First of all officials should be sent out to investigate and survey, while in the meantime funds should be raised for the actual carrying on of the work section by section with the view that actual results may thereby be attained. The aim is to complete the work of improvement within a few years so that agriculture may be developed and sources of money opened up. This will be our hope day and night.

File No. 893.811/224

Minister Reinsch to the Secretary of State

No. 1075

AMERICAN LEGATION,
Peking, May 15, 1916.

SIR: With respect to the statement in my despatch No. 1056 of April 28, 1916, to the effect that the idea of letting public construction work on a commission basis was first introduced in the preliminary agreement for the Huai River Conservancy, I have the honor to make the correction that the idea was embodied in the preliminary agreement for the Shasi-Shingyi Railway signed December 18, 1915 (Lord French agreement). But as this method was not adhered to in the final agreement for that railway, the introduction of the method in question was practically made in the Huai River agreements.

I have [etc.]

PAUL S. REINSCH

File No. 893.811/226a

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, June 15, 1916.

American International Corporation has approved Shantung agreement in principle subject to exchange of letters covering details contemplated under agreement but not specifically provided for:

Corporation ready approve Kiangsu agreement if made provincial as well as Government obligation similar Shantung agreement.

Department will tomorrow through you transmit to Gatrell, representative of the American International Corporation, full instructions suggested modifications.

American International Corporation also approves Siems-Carey railway construction contract in principle subject to modification details, etc., as provided for under Article 17 of agreement.

Carey returning China immediately to discuss. Carey wiring Anderson direct.

Department hopes Chinese will accept modifications suggested which will greatly facilitate sale of bonds American market.

This will give American interests valuable investment which may lead to important future developments. Use every effort cooperate with Gatrell, Anderson, assure success their negotiations.

LANSING

File No. 893.811/226

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, June 19, 1916.

Your June 15. Your detailed instructions not yet received, but I am constrained to state that it will be hardly feasible or advisable to turn into provincial matter Kiangsu Canal project which has from the first been treated as national, while Shantung project was initiated and pressed by the provincial authorities. To attempt to make Kiangsu project provincial would be taken as an affront to the Government. It would raise endless difficulties of negotiation and would promise no substantial benefit either in security or facilitating work. The Government will secure cooperation of Kiangsu authorities to the latter end.

REINSCH

File No. 893.811/227

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, June 20, 1916.

American International Corporation requests you transmit following to Gatrell:

Corporation approves Shantung agreement and is ready proceed in accordance with terms thereof so soon as points now covered only in general way by agreement and minutes negotiations are clearly specified in order avoid any possible misunderstanding. This should be done by exchanging letters as follows:

Shantung Agreement: Article II. Proceeds loan to be deposited National City Bank New York to be transferred to China through and be held on deposit in China with International Banking Corporation. Amounts in silver sufficient to meet interest and amortization payments in gold in New York to be deposited in International Banking Corporation, Shanghai or Peking, fifteen days before due date cost of transfer to and from China to be borne by Government being included in rates of exchange which to be fixed on date transfer or prior thereto as mutually agreed. All interest and amortization payments to be made by International Banking Corporation at its office New York.

Article III. Drawn bonds to be presented New York and paid in gold. Drawings payments to be made at office trustee appointed under Article XIII.

Article IV. Upon completion canal improvement work, Conservancy Bureau to employ American engineer or Chinese engineer satisfactory to corporation

to supervise maintenance canal during life of bonds. All receipts from revenues pledged as security for loan to be deposited by Conservancy Bureau with International Banking Corporation in China pending transfer for payments according to Article II, interest to be paid thereon at 4% per annum and funds to be held subject to the order of Accounting Department as provided Section 3, Article VI.

Article VI. Loan funds to be expended only in accordance with plan prepared and agreed upon as stipulated in Article VII or as modified by mutual agreement. Loan funds to be withdrawn by auditor upon requisitions made by director general or chief engineer acting under his authority upon recommendation of contractor as provided Kiangsu Agreement. Working funds to be held by Accounting Department Conservancy Bureau, auditor being responsible therefor.

Article VIII. Corporation hereby recommends Siems-Carey Construction Company as contractors.

Article XIII. International Banking Corporation New York designated as trustees.

Corporation approves Kiangsu Agreement, provided, by exchange separate letters or amendment agreement itself, loan is made obligation both of Kiangsu Province and Central Government same as Shantung Agreement. (This necessary assure sale bonds as otherwise public might be disturbed difference character two obligations issued for like purpose.) Letters should also be exchanged containing provisions regarding deposits New York, China, costs transfers, fixing exchange, deposit and responsibility for pledged revenues, payment interest, amortization, drawings payment bonds, expenditures in accordance with plans agreed upon, requisitions to be made by auditor, maintenance canal during life loan, administration revenues in case default, same as in Shantung Agreement. (If collection by corporation after default unacceptable usual provision regarding administration by Maritime Customs satisfactory for both agreements.) Pledged revenues to be deposited with International Banking Corporation to be named as fiscal agent accordance Article V. Siems-Carey designated contractors. Letters regarding Kiangsu Agreement should specify appropriate articles as in case Shantung Agreement.

Upon receipt notification from American Minister Peking through State Department that Government approve agreements letters and that Siems-Carey Company designated contractors, corporation will against temporary receipts deposit funds in accordance loan agreements pending issue bonds. Referring Articles VI and VII of Shantung Agreement and Article IV of Kiangsu, the corporation will, as soon as possible after letters exchanged, nominate competent persons as chief engineers and chief accountants. In general, by means these letters endeavor make operation two agreements as nearly alike as possible.

Would greatly facilitate sale bonds if extra redemption provided Article III Shantung and Article II Kiangsu Agreement be made 102½ instead of 101½. This not absolutely necessary but endeavor secure. If necessary might be able arrange 3 per cent interest instead of 2 per cent on deposits here.

LANSING

File No. 893.811/229

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, June 26, 1916.

My June 19. In view of all the facts I must recommend bankers reconsideration of Kiangsu matter. By treating Huai River project from the beginning as national we have thrown on the Chinese Government the responsibility for gaining cooperation of provincial authorities where necessary and have avoided endless trouble and interference on the part of the latter throughout the course of work. If we have now to approach local authorities with a request for a separate guaranty which does not materially add to security we not

only alienate central officials through whom we must work but we invite provincial intermeddling. Therefore, I beg to suggest that the prospectus might treat canal loan as a unit guaranteed by Central Government further secured by canal tolls and in the case of Shantung portion by special revenues.

I had already received from the Chinese Government a promise that it would secure from Kiangsu authorities formal expression of readiness to further work; it is one thing to hold the Government responsible for securing such cooperation, another to solicit for ourselves by urging local authorities to guarantee an obligation of the Central Government. In the case of Shantung portion the initiative came from the province.

Before proceeding any further I am awaiting your instructions.

REINSCH

File No. 893.811/230

The American International Corporation to the Secretary of State

NEW YORK, June 29, 1916.

SIR: We have the honor to acknowledge receipt of the Department's letter of the 26th of June,² transmitting for our information a paraphrase of a telegram, dated June 26, 1916, from the American Minister at Peking, relative to the negotiations for the amendment of the Shantung and Kiangsu Agreements between the American International Corporation and the Chinese Government.

We are today telegraphing Doctor J. N. Gattrell, our representative at Peking, as follows:

Consult American Minister. Refer to his cable to Department June 26. Appreciate difficulties situation. Is it possible cover both present agreements under one agreement with Central Government making terms of bonds all other conditions identical for both loans and treating old agreements as annexes to suggested agreement? Explain this important in order to establish market for bonds in view possibility later undertaking larger work, but make no additional commitment regarding Hual River scheme beyond that contained Kiangsu agreement. If this impossible, what is best you can do? Consult Anderson and secure his assistance in negotiations.

We trust the Department may be pleased to instruct the American Minister at Peking to use his good offices in bringing about the arrangement suggested, which we believe would facilitate our efforts to establish a market for Chinese securities in this country.

We have [etc.]

WILLARD STRAIGHT,
Vice President

File No. 893.811/230

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, July 3, 1916.

Your June 26. See cable of International Corporation to Gattrell of June 29. Cooperate with Gattrell along lines mentioned.

LANSING

² Not printed.

File No. 893.811/231

Minister Reinsch to the Secretary of State

[Telegram]

*AMERICAN LEGATION,
Peking, September 25, 1916.*

I am informed that on September 15 the Japanese Legation informally filed with the Chinese Government a memorandum stating that the Japanese Legation understands that the Conservancy Bureau has concluded an agreement with the American International Corporation for the improvement of the Grand Canal in Shantung and observing that if foreign assistance is asked in this matter application must first be made to Japan. This claim is based on the conventions between China and Germany of March 6, 1898, and between China and Japan of May 25, 1915. I am informed that the Minister for Foreign Affairs intends to reply that incorporeal treaty rights respecting Shantung have not yet accrued to Japan; the action suggested by Japanese Legation would therefore anticipate the assent of Germany to transfer of such rights and that the [omission] of the treaty of 1898 as developed in practice has actually been confined to railway and mining enterprises.

It is the impression of the Minister for Foreign Affairs that the Japanese desire not so much to exclude the Americans from this particular enterprise as to safeguard themselves against having the situation in Shantung materially changed to their disadvantage before a treaty with Germany can be made. But there is no assurance of this until the Japanese have been further heard from. While the negotiations were proceeding I quite frankly informed Minister Hioki concerning the projected enterprise.

REINSCH

File No. 893.811/234

Minister Reinsch to the Secretary of State

[Extract]

No. 1224

*AMERICAN LEGATION,
Peking, October 13, 1916.*

SIR: I have the honor to report on the progress of the negotiations with respect to the Grand Canal improvement work in the Province of Shantung, reported originally in my No. 1056 of April 28 last.

I have the honor to enclose a translation of an undated letter, written to the American International Corporation by the Shantung Provincial Government, and received by the former during May, in which the approval of the loan by the Central Government is recited.

On June 27, last, a letter was written to the representative of the Province, addressed to the Governor of Shantung, making known to him the acceptance by the American International Corporation of the Agreement of April 19, 1916, and the desire of the corporation further to negotiate with respect to a supplementary agreement concerning certain matters of administrative control (vide: your telegram to the Legation of June 20). This letter was held back at the request of the representative of the province, and was embodied in

a letter written to the Governor of Shantung on August 23, last, to which no reply has been received by the Corporation.

Mr. Pan Fu was designated by the Governor to carry on the negotiations for the supplementary agreement; and after long and arduous discussions the main provisions asked for received Mr. Pan's acceptance. The provisions were then to be submitted to the Governor for his approval. For this purpose Mr. Gregory, accompanied by Mr. Pan Fu, proceeded to Tsinanfu.

In the meantime, on September 15, a telegram was received from New York (No. 523) by the representative of the American International Corporation to the effect that the latter must insist upon a loan service charge of one-quarter of one per cent in addition to the discount already allowed. This new demand, dealing with a matter of so small importance and yet put forth in a categorical manner at this late stage of the negotiations, did not serve to help matters along, although it was accepted by Mr. Pan.

The Governor, who had been absent from Tsinanfu, having returned to that town, was on September 26, to be approached for his signature. Evidently, however, a powerful obstruction and opposition had been organized, for when Mr. Gregory interviewed the Governor he declared point-blank that he could not see his way to signing the preliminary agreement.

The outstanding feature of the situation thus created was that the Governor claimed that the supplementary land tax, which was to serve as security under this loan, had already been pledged previously to secure a loan of \$2,000,000 made by the Bank of China, the Bank of Communications, and other interests. This extraordinary state of affairs indicates the laxness of Chinese financial administration.

When the refusal of the Governor to sign the contract was made known to the Legation, the matter was immediately discussed with the Minister of Finance, the Premier and the President himself. All these high officials maintained an entirely favorable attitude and expressed their desire that the supplementary agreement should be immediately concluded; and instructions were issued by telegraph to the Governor of Shantung, authorizing him to substitute the proceeds of the national stamp tax in Shantung as security in place of the supplementary land tax.

Mr. Gregory, who had returned to Peking, thereupon again went to Tsinanfu, confident that the signature would be obtained without question. The instructions from the Central Government were, however, ignored by the Governor, who now stated more positively what he had intimated in the first interview: namely, that opposition to the contract had arisen in the Shantung Provincial Assembly, and that all the points of the agreement would have to be gone over again. Mr. Gregory's argument that the original contract, having been completely concluded before the reconvening of the Provincial Assembly, was not within the jurisdiction of the Assembly, did not make any impression on the Governor.

I had an informal interview last night with his excellency Dr. Chen Chin-tao, Minister of Finance, who is also Acting Minister for Foreign Affairs, in which he stated to me that the Central Government had received a formal communication from the Government of Shantung, claiming that the contract had become null and void through forfeiture.

The corporation argued that the claim of forfeiture of the original contract on account of failure to deposit \$2,500,000 immediately upon the execution thereof is not well founded, because the forfeiture clause was vitiated by the Governor's acting, until the beginning of October—more than five months after the signing of the original contract—on the assumption that the contract was still in force.

I stated to his excellency our position on this point; namely, that if forfeiture might be said to have occurred, it was waived by subsequent negotiations. Dr. Chen stated that this was also his view. He stated that all the officials of the Central Government were in favor of immediately concluding this contract, and that a number of the Shantung members of the National Parliament, as well as the Private Secretary of President Li, a Shantung man, had been induced to proceed to Tsinanfu, in order to argue with the members of the local Assembly.

Considering the fact that the making of this contract was originally requested by the Shantung Government and that no shadow of opposition had hitherto been seen, the sudden appearance of a well organized local obstruction has led to the surmise that influences unfavorable to American enterprise in China, particularly in Shantung, have been active in organizing this local opposition. From confidential reports which have reached me it would however appear that the trouble is due to a certain amount of distrust of the Central Government on the part of the local Assembly. It would seem that a tale is current to the effect that the engineering work would require only \$1,000,000, and that the rest of the money is to be spent by the Central Government, while the burden is to be imposed on the province. This is of course a misunderstanding which I hope can be cleared up without delay.

The Governor. Tsai Ju-kai, who originally negotiated the agreement, was greatly in favor of the project. His successor, Sun-Fa-hsü, Civil Governor during the negotiations reported above, was unpopular in the province and was apparently fearful of making any opposition to the Assembly; he has been transferred to another province, and Chang Huai-chih will act as Military and Civil Governor. The latter's attitude has not yet been determined, although he is believed to be favorable to the Canal enterprise.

I also have the honor to report that on September 25 last, the Japanese Legation handed to the Chinese Foreign Office a memorandum concerning the Grand Canal enterprise in Shantung, a copy of which is enclosed herewith. * * *

I have the honor to enclose a copy of a memorandum by the Minister, and one by the Secretary of Legation, in which the attitude taken by the Legation is stated.² In oral conversation with the Acting Minister for Foreign Affairs the position thus indicated has been taken by me, and the Minister appears to share the views of the Legation in this matter.

With respect to the Kiangsu section of the Canal, the demand of the American International Corporation that the Provincial Government should guarantee the loan, referred to in your telegram of

² Not printed.

June 15 and in my telegrams of June 19 and June 26, has delayed negotiations. The political situation in Kiangsu is somewhat uncertain, and the Central Government has only now sent Mr. Pan Fu to that province, in order to prepare the way for cooperation of the local authorities with the Central Government in the matter of the loan. I believe that it will be possible to get a formal expression of such cooperation.

From the above report, it will appear that the method of negotiation followed in this important matter is radically wrong, and will inevitably and at all times lead to endless trouble and the expenditure of fruitless efforts in China. If the original contract had been unconditionally accepted by the American International Corporation, it would have been just as easy subsequently to get the necessary administrative modifications and interpretations; but the whole enterprise is endangered when, after a general agreement has been arrived at, the contract is allowed to remain pending while minor modifications are being discussed. This method secures for such minor modifications an importance far beyond their real consequence. It is highly to be desired and absolutely essential that in the future American concerns attempting to do business in China should definitely make up their minds as to what they want and what they can grant before the main contract is finally signed. Nothing is more irritating to the Chinese than to have long and painful negotiations come to an end, supposedly definitive, and then to find that the negotiators on the other side continue to discover things which they would like to have put into the contract.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1—Translation]

The Shantung Provincial Government to the American International Corporation

[No date; received in May, 1916.]

The Shantung Provincial Government formerly telegraphed to the Central Government the facts concerning the signing of the 7 per cent loan for the improvement of the Shantung section of the Grand Canal, and the Shantung Provincial Government subsequently received a telegraphic reply from the Administrative Council saying that a presidential mandate has been issued permitting the carrying into execution of the already signed Shantung loan for work on the Grand Canal and ordering that the same be notified to the Ministries of Finance and of Agriculture and Commerce, and to the National Conservancy Bureau.

Subsequently the final complete contract was sent to the Central Government, and on the 27th of April a mandate was issued ordering the same to be transmitted to the Ministries of the Interior, of Finance, and of Agriculture and Commerce, as well as to the National Conservancy Bureau, to be placed on record. The contract is ordered to become operative.

Having received this reply this communication is now sent for your [omission] to be placed on record.

THE SHANTUNG PROVINCIAL GOVERNMENT

[Inclosure 2—Translation]

Memorandum from the Japanese Legation to the Chinese Government

We have heard that the Chinese officials have made a contract with American capitalists for a loan of \$3,000,000 for the renovation of the Grand Canal in the province of Shantung. On the 29th ultimo the Japanese Minister, "Lin"

(i. e., Hioki), had an interview with the Minister for Foreign Affairs, Chen, at which inquiries were made about this matter. The Minister, Chen, stated that this loan had been negotiated between the Conservation Bureau and the American capitalists. Although it had been heard of, neither the Ministry for Foreign Affairs nor the Ministry of Finance knew the details. The Japanese Legation has now obtained definite information to the effect that in April of this year the Conservation Bureau drew up and sealed an agreement with the American International Corporation and that now negotiations are proceeding with regard to the deposit of the funds and the method of carrying on the work.

I wish to observe that in Article 3 of the sealed agreement regarding the lease of Kiaochow, dated March 6, 1898, the following things are specified regarding preferential rights in Shantung Province:

In case of undertaking any work in Shantung Province, if foreign labor, capital, or materials are required, China shall first apply to German capitalists or merchants to know whether or not they are willing to undertake the said work and furnish the materials.

Two years ago Japan engaged in war for a year with Germany and expelled Germany from all influence in the Province of Shantung. The consequence was that all the rights and privileges which Germany had obtained in Shantung by treaty or otherwise reverted to Japan.

Also in Article 1 of the sealed convention between China and Japan of May 25, 1915, relating to Shantung Province, the Chinese Government, in regard to the above-mentioned rights and privileges granted, acknowledges all previously arranged with Germany as appertaining to Japan. From the above it is plain that in the matter of improving the Grand Canal within the Province of Shantung by the Chinese officials, if foreign assistance is to be asked, application must first be made to Japan.

September 15, 5th Year of Taisho [1916].

File No. 893.811/231

The Acting Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, November 6, 1916.

Your telegram of September 25. If Foreign Office replied as you anticipated you may support it in that attitude. In any event inform it this Government reserves all American rights.

Report any further action by Japan.

POLK

File No. 893.811/235

Minister Reinsch to the Secretary of State

No. 1267

AMERICAN LEGATION,
Peking, November 15, 1916.

SIR: Referring to my despatch No. 1224 of October 13, last, concerning the Grand Canal improvement work in Shantung Province, Mr. W. F. Carey has reported to me that on the 28th ultimo, Mr. Debuchi, First Secretary of the Japanese Legation, called on him and, among other things, spoke about the Canal enterprise. He assured Mr. Carey that the Japanese entertain the most friendly disposition towards the Siems-Caréy Company. He continued:

*** that we must not take their inquiries on the Grand Canal, for instance, as meaning anything more than they were anxious that China should recognize the fact that Japan had by might taken over the position of Germany in the Province of Shantung. He said that he realized quite fully that legally

as yet Japan did not have the rights of Germany in Shantung; but that, inasmuch as they had put the Germans out of this province, and inasmuch as by the twenty-one demands made on China in 1915 (wherein one of these demands stipulated that should Germany and Japan come to an agreement whereby Germany relinquished her position in Shantung to Japan, that transaction should be recognized and binding upon the Chinese Government), therefore, while this procedure as yet had not actually taken place, nevertheless it was a procedure that would at the close of the war take place; and that Japan was only anxious that China recognize the fact that Japan was actually now in Germany's position in this province. He stated that Japan did not want and would not do anything to prevent the construction of this waterway; that he realized it was a much needed improvement, and as a matter of fact it was an improvement that Japan herself desired.

Mr. Debuchi assured Mr. Carey that the Japanese would not press their claim to the extent that it might endanger the carrying out at this time of the Canal improvement.

I am not in a position to report the complete solution of the tangle which was explained in the Legation's No. 1224 of October 13, as the situation is very complicated, it has seemed well to the American representatives here to leave the solution of the matter in the hands of Mr. Roy S. Anderson and Mr. Pan Fu, the official who is most interested in the realization of the Canal improvement plans. Mr. Pan has, during the last three weeks, been working on the Kiangsu situation and has reported that the local officials and gentry have now been brought in line so as to support the Central Government in this matter. Mr. Pan has now proceeded to Tsinanfu; the new Governor of Shantung, Mr. Chang Huai-chih, with whom Mr. Pan is on good terms, is favorable to the enterprise and it is believed that the local opposition can now be overcome within a very short time.

I have [etc.]

PAUL S. REINSCH

FINANCIAL AFFAIRS—LOAN AGREEMENTS WITH LEE, HIGGINSON AND COMPANY AND WITH THE CONTINENTAL AND COMMERCIAL TRUST AND SAVINGS BANK OF CHICAGO. OPPOSITION OF THE CONSORTIUM GROUPS; ATTITUDE OF THE UNITED STATES

File No. 893.51/1741

Loan agreement between the Chinese Government and Lee, Higginson and Company

[Left at the Department by the Counselor of the Chinese Legation]

This agreement, made this 7th day of April, 1916, between the Government of the Republic of China, represented by His Excellency Doctor V. K. Wellington Koo, Chinese Minister to the United States, acting in the name and on behalf of the Minister of Finance of the Republic of China by special authorization, and Lee, Higginson and Company, of Boston, Massachusetts, New York City, New York, and Chicago, Illinois.

Whereas the Chinese Government has heretofore appointed Messrs. Lee, Higginson and Company its fiscal agents in the United States of America; and

Whereas the Chinese Government now desires its said fiscal agents, Messrs. Lee, Higginson and Company, to offer for sale five million

dollars (\$5,000,000) principal amount of six per cent three-year Treasury gold notes, dated April 1, 1916, payable April 1, 1919, bearing interest at the rate of six per cent (6%) per annum payable semi-annually on October 1st and April 1st in each year;

Now, therefore, the parties hereto do agree as follows:

1. The Chinese Government authorizes Lee, Higginson and Company to act as its fiscal agents for the purpose of offering for sale five million dollars (\$5,000,000) principal amount six per cent three-year Treasury gold notes of the Republic of China. Said notes are to be direct and binding obligations of the Republic of China, are to be signed in the name of the Chinese Government by His Excellency Doctor V. K. Wellington Koo, Minister of the Republic of China to the United States of America, at Washington, D. C., and shall also bear the official seal of the Chinese Legation at Washington, D. C., and are to be countersigned by Lee, Higginson and Company, its fiscal agents. The notes are to be dated April 1, 1916, and are to be payable April 1, 1919; they are to be in coupon form registrable as to principal only in the denomination of one thousand dollars (\$1,000) each and to bear interest at the rate of six per cent (6%) per annum payable semi-annually on October 1st and April 1st in each year, and are to be paid principal and interest in gold coin of the United States of America of the present standard of weight and fineness at the office of Lee, Higginson and Company, New York City. Upon the request of Lee, Higginson and Company, the Chinese Government will issue coupon notes in denominations of one hundred dollars (\$100), or of five hundred dollars (\$500), or of five thousand dollars (\$5,000), or will issue registered notes without coupons in denominations of one thousand dollars (\$1,000) or any multiple thereof. If coupon notes of denominations other than one thousand dollars (\$1,000) or registered notes without coupons shall be issued, they shall be issued and may be interchangeable with any other notes of such issue under such scheme or plan as may be necessary or desirable to conform to the rules of any stock exchange.

The notes of this issue are to be subject to redemption at par and accrued interest upon October 1, 1917, and upon any interest day thereafter before maturity by operation of a sinking fund on thirty (30) days' published notice. On the first day of August, 1917, and on the first day of February, 1918, and on the first day of August, 1918, the Chinese Government will deposit with Lee, Higginson and Company the sum of one million two hundred and fifty thousand dollars (\$1,250,000) or such lesser sum as shall equal one-quarter of the principal amount of the notes which have at any time been issued, for the purchase or redemption of said notes. Each such sinking fund instalment if reasonably practicable shall be applied by Lee, Higginson and Company within twenty (20) days after the receipt thereof to the purchase of notes at a price not exceeding par and accrued interest. In case the cost of any such notes so purchased shall, because of the inclusion in such cost of accrued interest, exceed the par value of the notes so purchased, Lee, Higginson and Company will pay the difference between par and the cost of said notes out of any monies on deposit with Lee, Higginson and Company, other than

sinking fund monies, after notifying the Chinese Minister at Washington; if there are no monies on deposit other than sinking fund monies at the time or if the amount on deposit, other than sinking fund monies, is not sufficient to pay the said difference then Lee, Higginson and Company will advance and loan to the Chinese Government such amount as may be necessary to make up the deficit. Any monies so advanced by Lee, Higginson and Company shall be repaid with interest at six per cent (6%) per annum by the Chinese Government. All notes so purchased shall cease to bear interest and shall be immediately cancelled and delivered by Lee, Higginson and Company to the Chinese Legation at Washington.

In case prior to the twentieth day of August, or the twentieth day of February, after the receipt of any such sinking fund payment, Lee, Higginson and Company shall fail to purchase notes to an amount sufficient to exhaust the monies in the sinking fund, Lee, Higginson and Company within five (5) days thereafter shall draw by lot notes to be redeemed on the first day of October or the first day of April to such amount as shall be sufficient at par to exhaust the monies in the sinking fund available for such purposes. Lee, Higginson and Company shall give to the Chinese Minister at Washington at least two (2) days' notice of such drawing, stating the amount of notes purchased with the monies in the sinking fund and the amount of notes to be redeemed, unless such notice shall be waived by the Chinese Minister. Upon the completion of such drawing, Lee, Higginson and Company, at the expense of the Chinese Government, will publish notice of redemption of the notes so drawn at least once a week for three consecutive weeks in two daily newspapers of general circulation published in the City of New York, the first publication of such notice to be at least thirty (30) days prior to the date therein appointed for redemption. Such notice shall contain the numbers of the notes so drawn and the date appointed for their redemption, which shall be the date of the next interest payment, with an announcement that on and after that date, on presentation and delivery at the office of Lee, Higginson and Company in the City of New York of said notes and all coupons pertaining thereto and maturing on said date of redemption and on subsequent dates, the notes so drawn will be paid at par and interest accrued to the date of redemption. Outstanding notes so drawn will cease to bear interest on and after the date appointed for redemption in said notice, notwithstanding anything stated to the contrary in said notes or coupons pertaining thereto. All notes redeemed by operation of the sinking fund shall be immediately cancelled by Lee, Higginson and Company and be delivered to the Chinese Legation at Washington. At the completion any redemption, Lee, Higginson and Company will render an account to the Chinese Minister at Washington of the notes purchased and redeemed and the numbers thereof and the total cost of such purchase and redemption.

The notes are to be substantially in the form hereto annexed, and the Chinese Government agrees to make provision for their payment, principal and interest, in accordance with their terms. These notes are to be used for industrial, municipal, educational and other similar purposes, as provided in the Government budget of 1916.

At least ten (10) days before any instalment of interest of said notes shall become due, the Chinese Government shall deposit with Lee, Higginson and Company, New York City, a sum sufficient to pay the same in full, including the interest upon any notes called for redemption, and shall pay to Lee, Higginson and Company the amount of any advances made by Lee, Higginson and Company with interest thereon as hereinbefore provided, and within ten (10) days before the date of the maturity of the notes the Republic of China shall deposit a sum sufficient to pay at such maturity the principal and interest of all said notes then outstanding.

Until definitive engraved notes are ready, temporary notes may be issued, either printed or lithographed in denominations of one thousand dollars (\$1,000) or any multiple thereof, as Lee, Higginson and Company may desire. Such temporary notes will be of the same force and effect as the definitive engraved notes until exchanged for the latter. The Chinese Government will cause definitive engraved notes in form satisfactory to Lee, Higginson and Company, to be prepared promptly and to be delivered without charge or expense to Lee, Higginson and Company, to be by them exchanged for the outstanding temporary notes.

Provision may be made for listing such notes on the New York or Boston Stock Exchange if in the judgment of Lee, Higginson and Company such listing is desirable and is agreed to by the Chinese Government through its Minister at Washington.

2. If a public offering of any of the notes is made, the price for such offering shall be not less than ninety-seven per cent (97%) of the par value plus accrued interest, but Lee, Higginson and Company, as fiscal agents, from time to time may fix the price at which said notes may be privately offered for sale subject to the provisions of Paragraph 4. They may issue interim receipts to the purchasers of the notes.

All expenses in connection with the printing, engraving, and execution of said notes and interim receipts, and all expenses incidental to their preparation, shall be paid by the Chinese Government, which expenses shall not be reckoned in determining the net amount which the Chinese Government shall receive, but Lee, Higginson and Company shall bear all expenses in connection with the advertising and sale of said notes.

3. On behalf of the Chinese Government, the Chinese Minister will, as promptly as possible, but not necessarily prior to the offering of the notes for sale deliver to Lee, Higginson and Company a document to be signed by the Minister of Finance of the Chinese Government, stating that the issue of said six per cent three-year Treasury gold notes has been duly authorized and is in accordance with the Constitution and laws of the Republic of China.

4. The compensation of Lee, Higginson and Company for their services in this connection shall be a commission which shall equal the difference between the price at which the notes may be sold, exclusive of accrued interest, and ninety-three per cent (93%) of the par value, but not exceeding four per cent (4%) of the par value. The Chinese Government shall receive net not less than ninety-three per cent (93%) of the par value of the notes sold with accrued interest, subject, however, to the provisions of Paragraph 2 hereof.

The proceeds of the notes shall be deposited with Lee, Higginson and Company, and out of such proceeds there shall first be applied an amount sufficient to pay the principal and interest on the advance of one million dollars (\$1,000,000) made by Lee, Higginson and Company to the Chinese Government on April 3, 1916, and the remainder shall be credited to the account of the Chinese Government to be drawn upon from time to time by order of the Chinese Government signed by its Minister at Washington, until and unless otherwise instructed in writing by the Chinese Government. All monies remaining on deposit at any time with Lee, Higginson and Company will be allowed interest at such rates as is customarily allowed on deposits of similar character, which shall be agreed upon with the Chinese Minister at Washington and which, until modified, shall be at the rate of two per cent (2%) per annum.

5. Lee, Higginson and Company, for themselves, their associates and agents, agree to use their best efforts to accomplish the sale of said notes at the price and upon the conditions aforesaid, and agree to advise promptly from time to time the Chinese Minister at Washington, D. C., of the amounts of the proceeds of said notes, less commissions and expenses aforesaid, which have been placed from time to time to the credit of the Chinese Government.

6. The offering of said notes shall be made on or before April 15, 1916, with the proviso that Lee, Higginson and Company, acting solely in the interests of the success of the loan, may, if the market conditions with respect to these notes make it wise or necessary, postpone this offering to a date not exceeding seven days from April 15. If Lee, Higginson and Company should deem it desirable to postpone the offering beyond such or any extended period, and the Chinese Government by its Minister at Washington shall not agree to such extension, then this agreement shall be null and void except as to any notes theretofore issued and sold.

Lee, Higginson and Company, if they so desire, may associate with themselves as principals in this undertaking, other banking firms, banks or trust companies, provided, however, that such banking firms, banks or trust companies shall be first approved by the Chinese Minister at Washington. Lee, Higginson and Company may employ such other banking firms, banks or trust companies as they may desire in order to assist the sale or disposition of said notes. Independently of their fiscal agency, Lee, Higginson and Company shall have the right to purchase said notes on their own account, at a price which, subject to the terms of this agreement, shall net the Chinese Government not less than ninety-three per cent (93%) of the face value of the notes and accrued interest.

All notices required to be given hereunder shall be in writing and shall be mailed either to Lee, Higginson and Company at No. 43 Exchange Place, New York City, or to the Chinese Legation at Washington, D. C., as the case may be.

7. This contract will bind and inure to the benefit of the partnership of Lee, Higginson and Company as now or hereafter organized, and also to any successor firm.

In witness whereof, His Excellency, Doctor V. K. Wellington Koo, Chinese Minister at Washington, acting in the name of the Government of the Republic of China and on behalf of the Minister of Finance, under special authorization as above, has hereunto signed

his name and caused the seal of the Chinese Legation at Washington, D. C., to be affixed, and said Lee, Higginson and Company by Fred-eric W. Allen, a partner, has hereunto signed its firm name this 7th day of April, 1916.

LEE, HIGGINSON & Co.

File No. 893.51/1643

Minister Reinsch to the Secretary of State

[Extract]

No. 1053

AMERICAN LEGATION,
Peking, April 28, 1916.

SIR: I have the honor to enclose a translation of a note dated the 4th instant from the Minister for Foreign Affairs, dealing with the authorization of Dr. V. K. Wellington Koo, the Chinese Minister at Washington, to negotiate a loan with Messrs. Lee, Higginson & Company. There is likewise enclosed a copy of a note dated April 5, from H. E. Liang Shih-yi, stating the purpose for which the Chinese Government intended to use the proceeds of that loan.

While the movement of disintegration was in progress, and as long as it seemed that a strong organization of the opposition might be effected, I felt constrained in my telegrams to you to advise against the completion of the loan for the present. However, the utter disorganization which exists among the revolutionists in Kwangtung and Kwangsi, the fact that the army of the Central Government has been kept entirely intact, but especially the fulfillment on the part of the Government of all the demands of the revolutionists dealing with institutional changes, have created a situation under which I am constrained to admit that no valid ground exists for refusing to complete this contract, notwithstanding the outcry which would probably be raised against it by the revolutionary element. To these considerations must be added the fact the organization of men in charge of the Central Government and of the loyal Provinces, representing as it does the constituted authority of the State, is also the only one from which, under all the circumstances, the aversion of total anarchy and disorganization can be expected.

It is not, of course, assured that the men constituting the Government may be able to avert disaster, but disaster would the more surely come if legitimate sources of revenue for carrying on the ordinary functions of Government, including the maintenance of law and order, were to be withheld.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1—Translation]

The Minister for Foreign Affairs to Minister Reinsch

No. 458

FOREIGN OFFICE,
Peking, April 4, 1916.

SIR: The Ministry of Finance reports that Mr. Ku, the Chinese Minister at Washington, has been authorized to negotiate a loan with Messrs. Lee, Higginson and Company. The said company has agreed to take Chinese Government Treasury notes to the amount of \$5,000,000 gold, bearing interest at 6 per cent,

payable in three years, and dating from September, 1917, and to be paid in equal instalments every six months. On the conclusion of the agreement the said company has agreed to advance immediately to the Chinese Government \$1,000,000 gold on account. Minister Ku has been given full powers to sign the agreement and the Treasury bonds and to draw the advance as well as to attend to all other business connected with the transaction. We are asked to send a formal notification to the American Minister at Peking asking him to notify by telegraph the American Department of State so that the Department may notify the company concerned.

We therefore now notify you, and ask that you will immediately telegraph to the American Government asking them to notify Lee, Higginson and Company.

A necessary despatch.

[SEAL OF THE WAI CHIAO PU]

[Inclosure 2]

His Excellency Liang Shih-yi to Minister Reinsch

PEKING, April 5, 1916.

EXCELLENCY: I have the honor to inform you that the purpose to which the short term loan now to be issued by the firm of Messrs. Lee, Higginson & Company, American fiscal agents of the Chinese Government, is to be devoted is as follows:

Advances to the Provinces for industrial developments, municipal improvements, and education: all under the budget for 1916.

LIANG SHIH-YI

File No. 893.51/1670

The American Group to the Secretary of State

NEW YORK, July 26, 1916.

DEAR SIR: At a meeting of the American Group this afternoon earnest consideration was given to the request which you made through our representative, who called upon you yesterday in response to your suggestion, that the American Group at once loan or advance to the Chinese Government, to relieve their present administrative necessities, the sum of \$4,000,000 or \$5,000,000.

Because of our strong desire that our position should be clearly understood, we are taking the liberty of rehearsing briefly the circumstances attending our entrance into the field of Chinese business, as well as those which attended our withdrawal; it is, of course, true that all these matters are of record in your Department, but, nevertheless, it may not be inappropriate to refer to them again at this time in connection with the particular proposal now under discussion.

The American Group (consisting of our respective houses and institutions) was formed at the direct instance of the United States Government during the Taft administration. At that time (in 1909) British, French and German banking groups had practically completed and had initialed a loan agreement with the then Chinese Imperial Government designed to provide funds for the construction of the so-called Hukuang Railways.⁹ Our Government, on its own initiative, suggested to the Chinese Government that the American Group be invited to participate in this Hukuang Railways loan.

⁹ For. Rel. 1912, pp. 87-88.

Finally, after direct telegraphic communication between President Taft and Prince Ching had been resorted to, it was arranged that American capital should have one-fourth participation in the financing of the railways to be built under the Hukuang loan agreement. The American Group was then formed, at the request of our Government, to undertake this financing.

After long and complicated negotiations, dealing largely with the question of the allocation of engineering rights on the various sections of the Railway among the several interested powers, final agreement with the Chinese Government signed by the four banking groups was reached on May 20, 1911, and, on June 15, 1911, the first series of the Hukuang Railways loan was issued to the public, one-fourth of the total amount, the equivalent of £1,500,000, being issued in America and being taken in the first instance by American investors. The issue price of these bonds was 99¾; they are now quoted in the market at a fraction over 72. Various other loans were discussed by the American Group with the Chinese Government, but none came to fruition until finally, in 1912, just after the revolution in China, the new Chinese Government approached the four banking groups who had been signatories of the Hukuang loan with a request that they enter into an agreement with the Chinese Government to loan £60,000,000 for administrative and reorganization purposes. Very soon after this request was made, the four banking groups referred to were approached by Russian and Japanese banking groups, who, with the support of their Government, suggested that they be included in a new six-power group to be organized for the express purpose of making the above referred to £60,000,000 reorganization loan. Such a new group was formed under an agreement dated June 18, 1912, the provisions of which were that the six members of the international group so formed should consider themselves bound to each other not to do singly any administrative loan business in China until the entire £60,000,000 of the reorganization loan had been issued, until a majority of the group should decide not to go further with the reorganization loan, or until a period of five years had elapsed, whichever should first happen. This mutual obligation which we entered into with the knowledge and approval of your Department was designed to protect the Chinese Government from the onerous terms which their necessities might otherwise have exacted; only to this extent was the six-power agreement intended to limit or curtail Chinese borrowing facilities, and we believe that the provision preventing separate action of the bankers of any one power was considered by our Government the provision best calculated to strengthen the hands of those governments like our own which were seeking an open door on equal terms to all the powers.

A total of £25,000,000 only was loaned by this International Group, or has been loaned to date (the American Group, however, were not signatories of the £25,000,000 loan agreement with China because of circumstances to which we shall refer later) and four years of time have elapsed. We consider, therefore, that this six-power agreement is binding upon all its members until June 18, 1917, or until the remainder of the £60,000,000 reorganization loan shall

have been issued, unless a majority of the subscribers shall in the meantime decide not to proceed further with the business.

The Department of State was kept fully advised of our negotiations both with respect to the Hukuang Railways and the reorganization loan; all cables received or sent were submitted to the Department; advice of the Department was taken in all matters in which our group was concerned in any way involving the international relations of the United States or in the remotest degree affecting the welfare of China; and no step was taken by the American Group in any instance except with the approval of the Department of State, secured in advance. Our representative in Peking participated actively in the negotiations for the \$25,000,000 loan above referred to, initialed the agreement for this loan in its final and definitive form along with the representatives of the other five interested groups.

After the agreement for the \$25,000,000 loan had been initialed, but before it was finally signed, the administration in the United States changed, and shortly thereafter there was issued to the public press by President Wilson his statement of March 19, 1913, in which he made clear that he was not in accord with the fundamental policy of the international group as organized.¹⁰ Promptly upon the appearance of this statement in the public press, we notified the other parties to the six-power agreement, our colleagues, and the Chinese Government that under the circumstances we felt compelled to withdraw from all further negotiations in connection with the \$25,000,000 loan. After our withdrawal; the participation of the American Group in the loan was taken up among the other five banking groups who had initialed the loan agreement, the loan agreement was promptly completed, and the loan was issued in the foreign markets. One of the securities specifically assigned to this \$25,000,000 loan was the Salt Gabelle, the administration of which was reorganized under a plan advised and proposed by the lending bankers and approved not only by the Chinese Government but by our own State Department and by the other Governments interested.

At once, after withdrawing from this \$25,000,000 loan, we closed our offices in China, sold our property there, and withdrew our representative. Since our withdrawal the Chinese Government has negotiated loans with others in this country, and, indeed, established a fiscal agency here. While, by reason of our part in issuing the Hukuang Loan we felt that we could not completely dissolve the American Group, divesting ourselves of all interest in Chinese affairs, nevertheless, we expected not to undertake any new Chinese business; the work had been burdensome because of the obligations incident to its international character and because of the frequent conferences in Europe which we were called upon to attend at short notice and without regard to our engagements and responsibilities at the time at home.

As we have pointed out, we have considered that we, like the other members of the six-power group which we entered into with the approval of our Government, are still bound by our mutual obligations under the agreement of June 18, 1912, above referred to. The provisions of this agreement are not entirely clear, but we believe that

¹⁰ For. Rel. 1913, p. 170.

we cannot conclude singly any administrative loan to China unless it can be shown to be a loan which is not in the scope of the reorganization loan which was the object of the six-power agreement, and unless its purposes are not the purposes contemplated and mentioned in the \$25,000,000 loan agreement signed by the banking groups of the other five powers; in the case of an administrative loan which could be shown not to be within the scope of the reorganization loan or the purposes contemplated in the \$25,000,000 loan agreement, we conceive that we are permitted by our mutual arrangements with the other banking groups to make such a loan, but only with the understanding that the covering loan agreement shall provide that participation is open to all the other five powers interested in the six-power agreement, and that we must offer such participation to them either at the time of making the loan or subsequently.

You did not state to us in the interview which our representative had with you yesterday for what specific purpose the present loan of \$4,000,000 or \$5,000,000 is intended, or whether it is contemplated by China that it will be taken up and repaid from a larger administrative loan to be negotiated and made later. In our opinion, the loan now requested would be unavailing unless followed by a larger reorganization loan which would aid China to rehabilitate her financial position. If such a larger loan were to be undertaken by the members of the six-power consortium, the American Group would be called to consider taking our share of it, but we realize that certainly weeks and perhaps months must elapse in the present conditions of the world's finances before any proposition of the kind could be seriously developed by the foreign banking groups. If, on the other hand, the present loan or advance of \$4,000,000 or \$5,000,000 is to be considered as a separate venture, without any definite plan looking toward the rehabilitation of the finances of China, it would become necessary to know just what specific security the Chinese Government is prepared to offer, how and for whose benefit such security is to be administered, by whom it would be collected in case of default, and various other details which have not yet been made clear to us.

As your Department was informed, we, some weeks ago, started negotiations with other interests in New York having offices in Peking to take our position in the Hukuang contract, which, if accepted, would have enabled us to dissolve the Group. For your information, it was not until today that we felt ourselves in a position to consider that the interests with whom we were negotiating had definitely decided not to consummate the negotiations. We now respectfully suggest that, if the present designated fiscal agent of the Chinese Government in this country or if any other American bankers desire to undertake the loan or advance to the Chinese Government now suggested, we shall be very glad to place at their disposal all the data and information with respect to the Chinese business which we have at hand.

However, if it is the desire of our Government that the American Group undertake negotiations with the Chinese Government with respect to this \$4,000,000 or \$5,000,000 loan now desired, we shall, of course, be prepared to do so. We should expect the Chinese Government to offer a loan of such a character, not only as to yield but as to security and method of administration of the security, that we

would be justified in offering it to American investors. We think it fair to say that in view of our present commitments to the European groups as indicated above, the present condition of the world's money markets, and the uncertain economic and political situation in China itself, we are not hopeful of a favorable outcome of such negotiations.

We are [etc.]

J. P. MORGAN & Co.
 KUHN, LOEB & Co.
 FIRST NATIONAL BANK,
 (by CHARLES D. NORTON, *Vice-Pres.*)
 THE NATIONAL CITY BANK OF N.Y.,
 (by J. H. PERKINS, *Vice-Pres.*)

File No. 893.51/1707

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, September 15, 1916, 7 p. m.

Minister of Finance states that he has authorized Minister Koo to negotiate with western bankers and hopes that the Department will take a favorable attitude toward eventual loan.

REINSCH

File No. 893.51/1707

*The Secretary of State to the Continental and Commercial Trust
 and Savings Bank*

DEPARTMENT OF STATE,
Washington, November 16, 1916.

GENTLEMEN: I have read the contract between yourselves and the Republic of China with reference to a loan of five million dollars for a period of three years [printed below], and I have to say in reply to your oral request for a statement of the policy of this Department respecting such loans that the Department of State is always gratified to see the Republic of China receive financial assistance from the citizens of the United States and that it is the policy of the Department now as in the past to give all proper diplomatic support and protection to the legitimate enterprises abroad of American citizens.

I am [etc.]

ROBERT LANSING

Agreement between the Government of China and the Continental and Commercial Trust and Savings Bank for a loan of five million Dollars gold

[Left at the Department by the Continental and Commercial Trust and Savings Bank
 November 16, 1916.]

This agreement made in the City of Washington, District of Columbia, United States of America, this ——— day of November 1916 by and between the Government of the Republic of China (hereinafter called "Chinese Government"), the first party hereto, represented by his Excellency, Doctor V. K. Wellington Koo, Envoy Extraordinary and Minister Plenipotentiary of the Republic of China to the United States of America, acting in the name and on behalf of the

Minister of Finance of the Republic of China by special authorization, and Continental and Commercial Trust and Savings Bank, of Chicago, Illinois, United States of America, (hereinafter called "Trust Bank"), the second party hereto,

Witnesseth:

Whereas, the Chinese Government desires to borrow the sum of five million dollars (\$5,000,000.00) in gold coin of the United States of America of the present standard of weight and fineness, and may hereafter determine to borrow in the United States of America an additional sum or sums aggregating twenty-five million dollars (\$25,000,000) in like gold coin, and desires the Trust Bank to procure the loan to the Chinese Government of said five million dollars (\$5,000,000), and the Trust Bank is willing to agree to procure for the Chinese Government said loan to it of said five million dollars (\$5,000,000) all upon the terms and conditions hereinafter set forth,

Now, therefore, it is hereby agreed as follows:

Article First.—The Chinese Government agrees to borrow and the Trust Bank agrees to procure for the Chinese Government said sum of five million dollars (\$5,000,000) as hereinafter provided. The Chinese Government hereby declares that said loan is needed by the Chinese Government for industrial purposes including the internal development of China, the strengthening of the reserves of the Bank of China and the Bank of Communications (both of which are official banks) and other similar purposes.

Article Second.—Said five million dollars (\$5,000,000) loan and the Treasury notes hereinafter provided for are hereby constituted a direct liability and obligation of the Chinese Government which hereby pledges its good faith and credit for the full and punctual payment of the total principal of and interest on said loan and for the full and punctual payment of all of said Treasury notes in accordance with their terms, and for the performance of all of the undertakings on the part of the Chinese Government herein agreed to be performed.

(a) Said five million dollar (\$5,000,000) loan shall be evidenced by the Treasury notes of the Chinese Government which Treasury notes shall be designated and known as "Republic of China Six Per Cent Three-Year Secured Gold Loan Treasury Notes of 1916," and shall be signed in the name of the Chinese Government by his Excellency Doctor V. K. Wellington Koo, Envoy Extraordinary and Minister Plenipotentiary of the Republic of China to the United States of America, and shall bear the official seal of the Chinese Legation at Washington, D. C., and shall be authenticated by the Trust Bank. Said Treasury notes shall be dated November 1, 1916, and shall be payable November 1, 1919. They shall be paid by the Chinese Government, both principal and interest, in gold coin of the United States of America of the present standard of weight and fineness. They shall be in coupon form and be registerable as to principal only. They shall be in the denomination of one thousand dollars (\$1,000) each and shall bear interest at the rate of six per cent (6%) per annum from and after their date, payable semi-annually on May 1st and November 1st in each year, which interest shall be evidenced by coupons attached to said Treasury notes. Said Treasury notes and the coupons thereto attached shall be payable at the office of the Trust Bank in Chicago, Illinois, and shall be substantially in the form hereto attached.

At the request of the Trust Bank the Chinese Government will issue registered notes without coupons in the denomination of one thousand dollars (\$1,000) or any multiple thereof. If registered notes without coupons shall be issued, they shall be interchangeable with any other notes of said issue under such plan as may be necessary or desirable to conform to the rules of any stock exchange.

The whole or any part of said Treasury notes outstanding at the time, shall before their maturity be subject at the option of the Chinese Government to redemption upon any interest date at par, plus accrued interest and plus one per cent (1%) premium if redeemed on or before November 1, 1917, and one-half per cent ($\frac{1}{2}\%$) premium if redeemed any time thereafter. At least thirty (30) days' prior notice of the exercise of such option to redeem stating the amount of said Treasury notes elected to be redeemed, shall be given to the Trust Bank by the Chinese Minister located at Washington, D. C. A notice of the exercise of such option to redeem shall be published by the Trust Bank at least once a week for four (4) successive weeks in a newspaper published in the English language in said City of Chicago and in a newspaper published in the same language in the City of New York, State of New York, United States of America.

If the Chinese Government elects to redeem less than the whole of said Treasury notes outstanding at the time, those to be so redeemed shall be determined by the Trust Bank by lot and in that event said published notice shall state the numbers of the Treasury notes so drawn for redemption. In case of the election by the Chinese Government to redeem the whole or any part of said Treasury notes, the Chinese Government will before the date of the first publication of said notice of redemption, deposit with the Trust Bank the funds necessary to effect such redemption.

The Trust Bank shall promptly after such redemption send a written report to the Chinese Minister at Washington, D. C., stating the numbers of the Treasury notes drawn and the numbers of the Treasury notes redeemed. Treasury notes so drawn for redemption will cease to bear interest on and after the date appointed for their redemption, to be stated in the aforesaid published notice of redemption, notwithstanding anything stated to the contrary in said Treasury notes or coupons pertaining thereto. All said Treasury notes shall be canceled by the Trust Bank as soon as they are redeemed and shall be promptly delivered to the Chinese Minister at Washington, D. C.

(b) At least ten (10) days before any installment of interest on said Treasury notes shall become due, the Chinese Government will deposit with the Trust Bank a sum sufficient to pay said interest in full; and at least ten (10) days before the date of the maturity of said Treasury notes the Chinese Government will deposit with the Trust Bank a sum sufficient to pay at such maturity the principal of and interest on all of said Treasury notes then outstanding.

(c) Until definitive engraved notes are ready, one temporary note will be issued by the Chinese Government, either typewritten or printed, in the denomination of five million (\$5,000,000) dollars. Such temporary note shall have the same force and effect as the definitive engraved notes until exchanged for the latter. Said temporary note shall be substantially in the form hereto attached. The Chinese Government will cause definitive engraved notes in form satisfactory to the Trust Bank to be forthwith prepared and to be delivered by the Chinese Government to the Trust Bank to be by it exchanged for said temporary note.

(d) Provision may be made by the Trust Bank after consulting the Chinese Minister at Washington, D. C., for listing said Treasury notes on any one or more stock exchanges in the United States of America.

Article Third.—Said entire loan of five million dollars (\$5,000,000) is hereby secured in respect to both principal and interest, by a direct charge upon the entire revenues derived and to be derived by the Chinese Government from the Tobacco and Wine Public Sales Tax. Said security is hereby declared by the Chinese Government to be free from any other loan, pledge, lien, charge or mortgage whatsoever. Said five million dollar (\$5,000,000) loan shall have priority both as regards principal and interest, over any future loan, pledge, lien, charge or mortgage whatsoever charged upon the above mentioned revenues. So long as said five million dollar (\$5,000,000) loan or any part thereof, principal or interest, shall be unpaid, no loan, pledge, lien, charge, or mortgage shall be made or created which shall take precedence of or be on an equality with said five million dollar (\$5,000,000) loan or which shall in any manner lessen or impair its security on or over the said revenues so far as said revenues shall be required for the service of said five million dollar (\$5,000,000) loan; and any future loan, pledge, lien, charge or mortgage whatsoever charged on said revenues or any part thereof shall be expressly made subject to said five million dollar (\$5,000,000) loan, both principal and interest. The Chinese Government expressly declares in its budget for 1916 promulgated by the presidential mandate on January 1, 1916, that the receipts from said Tobacco and Wine Public Sales Tax will net the Chinese Government during each of the years that all or any part of said five million dollar (\$5,000,000) loan, both principal and interest, is unpaid, a sum equivalent to at least five million dollars (\$5,000,000) in gold coin of the United States of America of the present standard of weight and fineness.

The Chinese Government will promptly apply towards the payment of said Treasury notes, both principal and interest, so much of said pledged revenues as will be adequate and sufficient to fully protect and pay all said Treasury notes and all unpaid accrued and accruing interest thereon. If, during any or each of the years that all or any part of said five million dollar (\$5,000,000) loan, both principal and interest, is unpaid, the receipts from said Tobacco

and Wine Public Sales Tax should by any reason or circumstance net the Chinese Government a sum not sufficient to meet the service of said five million dollar (\$5,000,000) loan, both principal and interest, the Chinese Government will forthwith make good such deficit from other sources of its revenue.

Article Fourth.—The Trust Bank shall sell or cause to be underwritten or sold or disposed of within five (5) days from the date of this contract, said total issue of Treasury notes, and the Trust Bank, if it so desires, may associate with itself as principals or otherwise in this undertaking, other banks, trust companies, firms and individuals. The Trust Bank may itself be an underwriter or purchaser of any part of said Treasury notes.

Said Treasury notes may be offered by the Trust Bank individually or with one or more associates for public description, and if offered for public subscription, shall be offered at a price to the public of not less than ninety-seven (97%) of the par value of said Treasury notes plus accrued interest. The Trust Bank may, however, fix a lower price at which said Treasury notes may be privately offered by it for sale, subject, however, to the provisions of Article Sixth hereof. The Trust Bank may issue interim receipts to the purchasers of said Treasury notes.

All expenses in connection with the printing, engraving and execution of said Treasury notes and interim receipts shall be paid by the Chinese Government, but all expenses in connection with the advertising and sale of said Treasury notes shall be paid by the Trust Bank.

If said Treasury notes, or any portion thereof, are subscribed for by the public at the time of their original offer to the public, at a price in excess of ninety-seven per cent (97%) of their par value plus accrued interest, then such excess, when collected or received by the Trust Bank, shall be divided, one-half to the Chinese Government, and the other half to the Trust Bank.

The Trust Bank is granted the power to determine the manner and method to be pursued in the underwriting, and in the sale (whether private or public) and in the offering and disposition of said Treasury notes.

All details necessary for the prospectus of said five million dollar (\$5,000,000) loan shall be prepared by the Trust Bank in consultation with the Chinese Minister at Washington, D. C., who will co-operate with the Trust Bank in any matters requiring conjoint action and will sign, by way of approval, if requested by the Trust Bank, the said prospectus.

Article Fifth.—All of said Treasury notes and coupons and all payments made or to be made thereon, or on any of them, and all payments made or to be made, disbursed, distributed or received on account of or in connection with all or any part of said five million dollar (\$5,000,000) loan or on account of or in connection with all or any part of the interest thereon, shall in time of war as well as in time of peace be always exempt from any and all taxes, impositions, liens or charges of any and every kind now or that may hereafter be established or levied by the Chinese Government or any province, division, or branch thereof, or that may be attempted to be established or levied by any province, division or branch thereof.

Article Sixth.—The total of said five million dollar (\$5,000,000) loan shall net the Chinese Government ninety-one dollars (\$91) for every one hundred dollars (\$100) thereof in gold coin as aforesaid, plus accrued interest from November 1, 1916, to the date that the Chinese Government is credited by the Trust Bank with the sum hereinafter in this paragraph specified. Any and all sum or sums of money paid to or received or realized by the Trust Bank on or from the sale, underwriting or other disposition of all or any of said Treasury notes above or in excess of said ninety-one dollars (\$91) for every one hundred dollars (\$100) of said five million dollar (\$5,000,000) loan shall, except as is otherwise in Article Fourth hereof provided, belong absolutely to the Trust Bank, and shall constitute and be the consideration and compensation which the Trust Bank shall be entitled to and is to receive for its services rendered and to be rendered hereunder.

Upon the execution and delivery of this contract and the execution and delivery by the Chinese Minister to the Trust Bank of said temporary note, and within said five (5) days from the date of this contract, the Trust Bank will, out of the proceeds of said underwriting, sale and disposition by it of said Treasury notes, place to the credit of the Chinese Government in the Trust Bank a total net sum calculated on the basis aforesaid, of four million five hundred and fifty thousand dollars (\$4,550,000) in gold coin aforesaid plus the interest accrued on said Treasury notes from November 1, 1916. Said credit may be drawn upon from time to time by orders or checks of the Chinese

Government signed by its Minister at Washington, D. C., until and unless otherwise instructed in writing by the Chinese Government. Upon all of said moneys remaining on deposit with the Trust Bank interest will be allowed at the rate of two per cent (2%) per annum.

Article Seventh.—In the event of any of said Treasury notes or any of said coupons pertaining thereto, being destroyed, lost or stolen, the Trust Bank is hereby authorized to notify the Chinese Minister at Washington, D. C., thereof, who will authorize the Trust Bank to insert an advertisement in one or more newspapers published respectively at the time in the Cities of Chicago and New York, stating that the payment of such note or notes or coupon or coupons has been stopped, and to take such other steps as may appear advisable to the Trust Bank according to the laws or customs in the United States of America.

Should any such Treasury note or notes or coupon or coupons be destroyed, lost or stolen, and not be recovered after a lapse of time to be fixed by the Trust Bank, the Chinese Minister at Washington, D. C. will execute a duplicate note or notes or coupon or coupons for a like amount and deliver the same to the Trust Bank to be by it delivered to the owner or owners of such destroyed, lost, or stolen note, notes, coupon or coupons. The Trust Bank shall require from such owner or owners proof and indemnity satisfactory to the Chinese Government or to the Trust Bank.

Article Eighth.—In reimbursement of its compensation and expenses connected with the distribution by the Trust Bank of the moneys to be received by the Trust Bank from the Chinese Government with which to pay the interest on said Treasury notes and the principal thereof, the Trust Bank shall be paid by the Chinese Government a commission of one-half ($\frac{1}{2}\%$) per cent. of the moneys received by the Trust Bank to pay said interest and a commission of one-quarter ($\frac{1}{4}\%$) per cent. of the moneys received by the Trust Bank to pay said principal.

Article Ninth.—In the event of the Chinese Government hereafter determining to borrow in the United States of America an additional sum or sums up to twenty-five million dollars (\$25,000,000) gold of the standard aforesaid, the Chinese Government will grant the Trust Bank the first option to determine whether it will agree to procure such additional loan or loans for the Chinese Government at such times and in such installments and on such terms as may be hereafter mutually agreed upon. Such option shall be valid for and during a period of sixty (60) days from the day on which written notice is given to the Trust Bank by the Chinese Government of its desire to obtain such additional loan or loans. If the Trust Bank fails to exercise such option during the time covered by said notice, the option shall become null and void and the Chinese Government will be at liberty to borrow said additional sum or sums from any other bank or group of banks.

Article Tenth.—On behalf of the Chinese Government, the Chinese Minister, his Excellency Doctor V. K. Wellington Koo, who has signed this contract, agrees that the making of said loan of five million dollars (\$5,000,000) and the issue of said Treasury notes and coupons and the execution and delivery of this contract are each and all entered into and duly authorized by the Chinese Government and are each and all in accordance with the Constitution and laws of the Republic of China, and that there is no treaty, convention, obligation or agreement of any kind to the contrary, and that the Chinese Government will, upon the execution and delivery hereof, deliver to the Trust Bank a cablegram (or copy thereof) from the Minister of Finance of the Chinese Government, and promptly thereafter a confirmatory document from said Minister of Finance, in substance stating that the making of said five million dollar (\$5,000,000) loan and the issue of said Treasury notes and coupons and the execution and delivery of this contract are each and all entered into and duly authorized by the Chinese Government and are each and all in accordance with the Constitution and laws of the Republic of China, and in no way contrary to any treaty, convention, obligation or agreement of any kind.

Article Eleventh.—This contract is signed on behalf of the Chinese Government by the Chinese Minister at Washington under authority of a cablegram from the Minister of Finance of the Republic of China dated the _____ which has been officially communicated to the Minister in Peking, China, of the United States of America.

Three original copies of this agreement have been executed in English, two copies to be retained by the Chinese Government, and one copy by the Bank.

In the event of any doubt arising in regard to the interpretation of this agreement, the English text shall rule.

In witness whereof, his Excellency Doctor V. K. Wellington Koo, the duly authorized and accredited Envoy Extraordinary and Minister Plenipotentiary of the Republic of China, to the United States of America, acting in the name of the Government of the Republic of China and on behalf of the Minister of Finance of the Republic of China, under special authorization as above, has hereunto signed his name and caused the seal of the Chinese Legation at Washington, D. C., to be affixed hereto, and said the Continental and Commercial Trust and Savings Bank of Chicago, Illinois, has caused this instrument to be duly signed and delivered for and in its name and on its behalf by _____, its _____ President, at the place and on the date first above written.

CONTINENTAL AND COMMERCIAL TRUST AND SAVINGS
BANK OF CHICAGO, ILLINOIS,

By _____
Its _____

File No. 893.51/1711

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, November 25, 1916.

The American loan of \$5,000,000 has been ratified by both Houses of Parliament by votes approaching unanimity.

REINSCH

File No. 893.51/1735

Minister Reinsch to the Secretary of State

[Extract]

No. 1284

AMERICAN LEGATION,
Peking, November 29, 1916.

SIR: As reported in my telegram of November 25, the loan of G\$5,000,000, made by the Continental & Commercial Bank of Chicago, has been approved by both Houses of Parliament, by votes approaching unanimity. It is to be noted that this result was obtained notwithstanding the fact that on nearly every point the present Parliament is opposed to the Premier and his Cabinet. Its ready approval of the American loan therefore indicates the great importance and value which is attached by the nation as a whole to American financial assistance at this time.

The French Chargé d' Affaires, Count de Martel, called on me on the 24th instant, and stated that he desired me to know that the Banque Industrielle de Chine, a French institution with Chinese associates, had a claim on the wine and tobacco taxes as security for loans. Under the same date (November 24) I received from him a note in which, at my request, he had set forth the texts of the agreements in question; a copy of this note is herewith enclosed.*

Under Annex II of the Ching-Yu Railway Agreement of January 21, 1914, all tobacco taxes and imposts throughout China are pledged

* Not printed.

as security for advances made under the main contract. I am informed that the amount of the advances is about Francs 36,000,000. By Annex II to the so-called Pukow Harbor Improvement Loan of 1914, the annex being dated March 2, 1914, the taxes on spirits collected in the provinces north of the Yangtze are pledged.

Having at the time no official information concerning the character of the security pledged in the American loan agreement, I could only state to Count de Martel that I would take notice of the facts brought to my attention and investigate the matter. Dr. Chen Chin-tao, the Minister of Finance, upon my inquiring, informed me that while the imposts and taxes on tobacco and spirits were pledged to the French bank, as stated, the security for the American loan was the revenue from Government sales of wines and tobacco. * * *

The revenue from the Government sale of tobacco, so-called, is therefore distinguished in origin and in the method of collection from the imposts and taxes (there are taxes, additional taxes and license fees levied). The estimated revenue from the taxes and imposts during the present year is Mexican \$16,000,000; from the Government sales revenue, Mexican \$11,000,000.

In a discussion of this matter with Dr. Chen, he admitted that it might be possible to argue that the Government sales revenue, as now administered, was a tax under another name, but not materially differing from other taxes. Upon this admission I secured from him, as a matter of precaution, oral assurances to the effect that should the American bankers consider the security pledged to them inadequate, on account of the possible impinging of the French claim for securities on taxes and imposts, he would assign additional security. I stated to him that if the American bankers considered it necessary for their protection, an American expert might have to be appointed to assist in the systematization of the Government sales revenue. He cited to me the Russo-Chinese Declaration of June 24, 1895, in Article IX [IV] of which it is provided that should China grant to another foreign power rights connected with the control or administration of the revenues of China, such rights must be extended to the Russian Government. I stated to him that in the case in question such rights would be asked merely for the protection of security already granted, if it were endangered by a specific obstacle. It was therefore not a grant by China, but a remedy to which, under every consideration, the parties holding the security are entitled should they desire to avail themselves of it.

When the Legation had been thus informed concerning the character of the security pledged, I directed the First Secretary of Legation to notify the French Chargé d'Affaires, which he did in an interview. * * *

As to the question of the security, there is no doubt of its sufficiency for the loan of G\$5,000,000. It is, however, my opinion that as specific security it might not be adequate for the contemplated loan of G\$25,000,000 unless the scientific administration of the revenue be assured and the matter of the possible conflict of French claims be adjusted.

The Minister of Finance has also received a protest from the Allied members of the Consortium against the American loan, as

in conflict with Article XVII of the Reorganization Loan Agreement of 1913¹¹ which provides:

In the event of the Chinese Government desiring to issue further loans secured upon the revenues of the Salt Administration or to issue supplementary loans for purposes of the nature of those specified in Article II of this Agreement, the Chinese Government will give to the Banks the option of undertaking such loans.

The Minister of Finance is taking the position that: 1st, an option to raise the loan having been offered to the Consortium in September, upon which they have been unable to act on account of the impossibility of cooperation between the different belligerent powers during the war, the Chinese Government has fulfilled its duties under the contract and may offer options for loans to other groups or institutions; and 2nd, the particular loan concluded with the American bank does not come within the purview of Article XVII, because it is not related to any of the objects for which the Reorganization Loan was made, but is, on the contrary, as the Minister of Finance states, intended to provide a fund for industrial development which will be temporarily deposited in the Government banks for the strengthening of their credit.

It is my opinion that even as providing a bank guarantee fund, the American loan is entirely outside of the sphere of the Reorganization Loan of 1913. * * *

I have [etc.]

PAUL S. REINSCH

File No. 893.51/1715

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, December 2, 1916, 1 p. m.

The Chinese Government apprehend that if insisted on the claim of the British, French, Russian and Japanese group banks to the effect that they represent the five-power syndicate together with their broad interpretation of Article 17 of the loan agreement so as to include administrative loans of whatever kind, threatens to destroy equal opportunity and reduce China to fiscal dependence on certain powers under the leadership of Japan. It considers very important the right of independent banks to do business not specifically preempted, and will appreciate the assistance of the American Government in safeguarding this.

A rumor has been circulated, emanating from Japanese sources, to the effect that alleged strongly German character of the Continental Commercial Bank accounts for making of the loan which is represented as directed against the interests of allied powers. While this clumsy invention will not make much impression it indicates a possible line of attack on independent American enterprise in China.

REINSCH

¹¹ For. Rel. 1913, pp. 180, 188, 190.

File No. 893.51/1715

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, December 4, 1916.

Your telegram of December 2. You may say to the Chinese Government that in the opinion of this Government there is nothing in the terms of the Chicago loan which conflicts with any agreements between China and foreign bankers. Opposition would seem to imply a claim on the part of some to greater privileges in China than enjoyed by Americans.

This Department last summer gave every encouragement to participation by group banks to loan to China and met with nothing but rebuffs.

LANSING

File No. 893.51/1716

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, December 5, 1916.

Department's telegram December 4. You are authorized to take occasion to intimate to your colleagues representing Governments of group bankers' nationalities that any strained construction of existing agreements between the Chinese Government and bankers, or any attempt to exclude our bankers from a fair participation in Chinese affairs, would meet with very decided resistance from this Government.

LANSING

File No. 893.51/1729

Minister Reinsch to the Secretary of State

[Extract]

No. 1295

AMERICAN LEGATION,
Peking, December 8, 1916.

SIR: In continuation of my despatch No. 1284 of the 29th ultimo,
* * * I have the honor to forward herewith the following enclosures:

1. Memorandum by Professor W. W. Willoughby which was made, in substance, the basis of the letter of the Minister of Finance to the representatives of the banking Consortium, under date of December 1.

2. Substance of the reply of the representatives of the Consortium, under date of the 2d instant.

3. Memorandum of the substance of the reply of the Minister of Finance, despatched on December 6.

4. Copy of the Legation's note of the 7th instant to the Minister of Finance.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1]

Memorandum used as the substance of a letter from the Minister of Finance to the representatives of the Consortium

DECEMBER 1, 1916.

Replying to your letter of inquiry of November —, I have the honor to say that when, more than two months ago, the Chinese Government was attempting to make a loan coming within the scope of Article XVII of the Agreement of April 26, 1913, the loan was offered to the Consortium of Banks which is collectively a party to that agreement. This was in accordance with the option therein provided. In reply to this offer, the Chinese Government was informed that the five Banks, constituting the Consortium, were no longer able to act as a group, and that with one of the members of the group the other four members were unable or unwilling to communicate or cooperate. This confession on the part of the group that it was not in a position to exercise the option thus offered to it, of course left the Chinese Government free to offer the loan in question to any parties that it might see fit. That is to say, it might offer it to any outside bank or banks, or to an individual bank or a group of banks from among those which constitute the Consortium under the Agreement of April 26, 1916 [1913?].

As regards the loan recently obtained from the Chicago bank, I have the honor to say that it is a loan which does not come within the provisions of the Agreement of April 26, 1913, inasmuch as it is neither guaranteed by the revenues of the Salt Tax nor for purposes of a nature similar to those enumerated in Article II of the said Agreement.

This loan is an industrial one, and, incidentally, for the aid of the Bank of China, in which Bank its proceeds are to be deposited in order that its credit may be strengthened.

[Inclosure 2]

Substance of the reply of the representatives of the Consortium to the Minister of Finance

PEKING, December 6, 1916.

The Bankers can not agree with the views expressed by the Minister of Finance that the British, French, Russian, and Japanese Banks have lost their rights under Article 17 of the Reorganization Agreement through their inability to cooperate with the German Group. This contention is supported by the Minister's letter of November 17, in which he confirmed application for a loan of £10,000,000., although he had been informed that the five banking groups could not cooperate.

As to the American Loan the Bankers cannot admit that a loan to be made for the strengthening the credit of the Bank of China is an individual loan and therefore not under the provisions of the Reorganization Loan Agreement. They therefore cannot modify their attitude towards that loan.

[Inclosure 3]

Memorandum of the substance of the reply of the Minister of Finance

The Minister of Finance states that in his letter of November 17, he did not confirm the application of a loan for £10,000,000 to the four banks, but requested to be informed specifically as to the instructions which had been received by them with respect to the action on the option offered in September to the Consortium as a whole. With respect to the American G\$5,000,000 Loan, he said in substance as follows:

It is necessary for us to point out that the Chinese Government cannot hold itself bound beyond the explicit language of the loan agreement, and that a loan for strengthening the currency reserve of banks is in no way comprised in that language. Moreover, the ultimate purpose to which the proceeds of this particular loan are to be devoted is industrial in nature.

[Inclosure 4]

*Minister Reinsch to the Minister of Finance*AMERICAN LEGATION,
Peking, December 7, 1916.

EXCELLENCY: As you confidentially inform me that the British, French, Russian, and Japanese banking groups had entered a protest against the American loan, just concluded, on the ground that it conflicted with Article XVII of the Reorganization Loan Agreement, I reported this matter to my Government and I am now informed that in the opinion of the American Government the terms of the Continental and Commercial Bank loan in no way conflict with any agreements between foreign bankers and the Chinese Government. I may also state that opposition to this American loan would appear to imply that there is a claim on the part of others to greater privileges in China than are enjoyed by Americans; and also that such a claim, founded on an extensive interpretation of Article XVII of the Reorganization Loan, cannot be admitted.

Your excellency has also given me specific information to the effect that the proceeds of the American loan are to be used for the purpose of strengthening the credit of the two national banks of China, and of creating a fund for advancing the industrial development of the Republic. I note this assurance with satisfaction and it is highly important that the proceeds should entirely be applied to the constructive and productive purposes indicated, because should they be expended for purely political uses unconnected with productive industrial enterprises, the making of all further loans in America would be seriously discouraged. Without any desire to interfere at this time with the disposal to be made of the loan, I feel that I owe you the above indication of the danger of any diversion of the funds from the purposes indicated.

I avail [etc.]

PAUL S. REINSCH

File No. 893.51/1734

Minister Reinsch to the Secretary of State

No. 1311

AMERICAN LEGATION,
Peking, December 18, 1916.

SIR: I have the honor to report that, in compliance with the Department's telegraphic instructions of December 5, relating to the American loan to China, I have called upon the Ministers of Russia and Japan, and the *Chargés d'Affaires* of Great Britain and France.

In each case I stated that the American Government had observed the political and financial situation in China and that it was not desirous of having the Chinese Government reduced to a situation where all kinds of desperate financial expedients would appear necessary to those in charge of China's affairs. Such a situation could benefit no one.

I further stated that in order to protect the right of American bankers to a fair participation in Chinese financial enterprise, the American Government would take a very decided stand against any strained construction of existing agreements made by the Chinese Government in matters of finance; particularly by expanding the scope of such agreements beyond the strict import of the language therein used. More particularly, I added that the American Government considered that the terms of the loan just negotiated with the Continental & Commercial Bank of Chicago did not conflict in any way with existing agreements.

On the basis of previous instructions and intimations which I have received from the Department, I felt justified in stating further that I did not believe that the American Government would counte-

nance any loans not made upon sound principles with respect to the security thereof and the use of the funds provided; and that it did not favor loans carrying concessions or secret privileges.

In every instance, the respective representative with whom I was talking proceeded to ask me what would be the attitude of the American Government towards a reentry of the American Group into cooperation with the Consortium. I reviewed the history of the attitude of the present administration on this question, and stated that the American Government could not do anything which would imply sanction to a monopolistic or exclusive domination of Chinese finance in general. If the cooperation of the American Group could be arranged, considering all the circumstances of the war and the limitation above set forth, I believed that the American Government would not withhold its approval. In every case the representative with whom I was talking at the time expressed himself as greatly desirous that Americans should participate in the business of the Consortium. The Japanese Minister stated to me that, in his view, it would be better that the arrangements for the loan should be completed, in order to avoid delay and troublesome questions, and that then the American Group should be invited to participate. The French Chargé d'Affaires, on the other hand, stated that it was the preference of his Government and that of Great Britain that the American financiers should be consulted from the beginning of the negotiations; but that he was not informed as to the views of Russia and Japan.

As the German Minister is at present sick, I have not had an opportunity of bringing to his attention the views of the American Government. He has, however, on other occasions, expressed to me his feeling that it is proper and desirable for American bankers and capitalists to take a part in Chinese affairs, and he has also expressed the readiness of German interests to cooperate with Americans in specific enterprises or undertakings.

In conclusion, I have the honor to report that during these conversations with the representatives of the Powers mentioned, none of them stated any objection to the loan of G\$5,000,000 made by the Chicago bank, nor to the policy of the American Government with respect to the free participation of the American bankers in Chinese finance, as explained to them. On the contrary, they appear to consider such participation of Americans as quite natural and unobjectionable, provided existing agreements are not interfered with; the British and French Chargés d'Affaires were particularly friendly in their expressions concerning American enterprises in China.

I have [etc.]

PAUL S. REINSCH

File No. 893.51/1722

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, December 23, 1916, 11 a. m.

Your statement of the position of the American Government in the matter of loans was received in a friendly manner by the repre-

sentatives concerned who stated no objection to Chicago loan, but all expressed a desire for American cooperation in reorganization loan. Full report by mail.

REINSCH

RAILWAY CONCESSIONS.—HUKUANG RAILWAYS; DISCRIMINATION AGAINST AMERICAN MATERIAL. NANKING-NANCHANG-PINGHSIANG CONCESSION TO THE BRITISH AND CHINESE CORPORATION. PIN-HEI CONCESSION TO THE RUSSO-ASIATIC BANK. FENGCHEN-NINGHSIA CONCESSION TO THE SIEMS-CAREY & COMPANY, LTD.; PROTEST OF RUSSIA, ATTITUDE OF THE UNITED STATES.

File No. 893.77/1452

Minister Reinsch to the Secretary of State

No. 519

AMERICAN LEGATION,
Peking, January 18, 1915.

SIR: Referring to previous correspondence, on the subject of the supply of materials for the Hukuang Railways, I have the honor to submit herewith copies of confidential despatches (Nos. 55 and 57)² addressed to the Legation by Mr. Arnold (then Consul General at Hankow), dated November 7 and 12, respectively, on the present status of the tenders for bridge material for the Canton-Hankow (British) section, under Indents 11, 12, and 31.

From Mr. Arnold's first despatch on this subject (No. 55), it appears that the Chief Engineer of the so-called British section, Mr. A. G. Cox, has acted in deliberate and acknowledged disregard of the resolutions on standardization adopted by the Conference of Chief Engineers, held at Hankow in May last, which were intended to formulate certain practical means of realizing the principle of impartial preference provided by the terms of the Hukuang Loan Agreement, and which were formally ratified by the Ministry of Communications as applicable to the supply of materials for the Hukuang Railways.¹² Mr. Cox not only denied having received instructions as to the applicability of those resolutions, but he also claimed that the phrase "The most favorable bidders"—a phrase which he himself had introduced at the conference in amendment of Mr. Randolph's draft of Clause 7 of the resolutions concerning bridges, supporting and carrying his amendment by arguments which are given in the minutes, of which copies are understood to have been forwarded to the Department by the Hankow Consulate General in June—conferred upon him authority to reject any bids not complying with specifications drawn by him in conformity with the engineering practice of a particular market. By this quibble upon a phrase which he himself introduced into the resolutions with quite different explanations of its scope and purport, he would make it optional with himself to exclude all possibility of any but British competition for the supply of materials for the construction of the Canton-Hankow section. No new factor, but merely a confirmation of the attitude thus indicated, is added by his resentment of the

² Not printed.

¹² [See note at end of inclosures to this despatch.]

fact that the American Government has asserted an interest in the principles upon which contracts are to be awarded for the materials to be used in the construction of the line entrusted to him. It seems amply clear that, whatever the nature of his motives, Mr. Cox considers himself wholly independent of the provisions embodied in the Hukuang Loan Agreement, and either ignorant or disdainful of his obligation to administer his office as a chief engineer, under the direction of the Chinese authorities, as a trust for the four national groups signatory to the loan agreement.

This attitude on his part is the immediate concrete obstacle to the possibility of impartial opportunity for the participation of American manufacturers. The issue is not settled, but merely postponed, by the action of the Chinese authorities in setting aside the tenders hitherto issued and calling for new bids—not on the ground that the principle of impartial preference had been nullified by the refusal of the Chief Engineer to consider the bids of American manufacturers (which were in fact the lowest), but on the technical ground of having decided in favor of a loading of *E40* instead of *E45*. It would seem as though Mr. Cox had put himself to some trouble to impress upon Mr. Arnold the fact that he proposed under any circumstances to apply to the bids submitted in response to the new specifications the same discrimination against American products in the competition for the supply of practically all the bridge materials required for the portion of the line from Hankow (Wuchang) to Changsha.

The crux of the problem thus presented is to find an effective means of inducing a modification of the position he has adopted. It would seem that the most direct method of enforcing upon him a realization of his responsibilities to the American Group (and to the interests which it represents) is through his Chinese employers. Attempts have heretofore been made to impress upon the interested Chinese authorities not only the obligations imposed upon them by the loan agreement, but also the economy of a standardization making possible free competition, on all sections of the Hukuang Railway, among the four national markets. Such representations have always received the academic assent of the Chinese officials concerned—of Chou Tze-chi and of Liang Tun-yen, as Ministers of Communications, and of Feng Yuan-ting and of Jeme Tien-yow, as Directors-General; but they have all (perhaps not unnaturally) evaded personal responsibility, pleaded the impracticability of opposing British interests supported by the British Legation, and emphasized the difficulty of overruling the technical judgment of the engineer entrusted with the work. Their simultaneous good disposition and unwillingness to meet an issue of principle are well illustrated by the reissue, with a new specification for loading, of the bridge indents to which reference is made above.

It seems beyond hope that the Chinese authorities can be induced to take any resolution on principle in this matter; and the one possibility of effective action seems to be to lay before them a clearcut issue upon concrete and easily determinable facts concerning which there can be no wrangling or evasion. It has therefore seemed to me advisable to supplement the note of November 12 last (of which a copy is enclosed herewith); making to the Minister of Communica-

tions certain suggestions for the practical realization of the principle of impartial preference, with a further note requesting him to issue to the chief engineers of the several sections of the Hukuang Railways instruction definitely requiring them to administer their duties as trusts for the impartial benefit of the various national interests involved, with particular reference to the interpretation of the Standardization Conference resolutions in such a manner as to accomplish the purpose of affording an actual equality of opportunity for the employment of the several national engineering practices. In communicating this further note to the Minister of Communications, I propose to make clear to him by oral explanations that in the event of a failure of the Chief Engineer of the Canton-Hankow section to accord to the bids of American manufacturers the consideration obviously intended by the resolutions of the Hankow Conference, the Government of the United States would reserve the right to demand (a) the cancellation of any award made by the Chief Engineer in disregard of our rights, and (b) the dismissal of Mr. Cox. By informal conversations with the British Legation and by such other means as seem expedient, I shall furthermore make this attitude of the Legation known, in advance of the award of the contracts, in quarters in which an appreciation of the situation might tend to avert an issue on the question.

I am inclined to believe that the Chinese authorities would themselves welcome the definition of a clear issue which might enable them to withstand the impositions of a subordinate who, with the backing of certain British influences, is seeking to exploit Chinese in behalf of British interests. Should they, however, fail to recognize the advantage accruing to them through such a clarification of the issue, and prove unwilling to meet their responsibilities, it seems to me advisable to force upon their consciousness a realization of the fact that neither interest nor obligation would require the American bankers to continue contributing funds for a line which, in defiance of the contract under which the money had been raised, might be carried through for the special profit of one of the four lending nations.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1]

Minister Reinsch to the Minister of Communications

AMERICAN LEGATION,
Peking, November 12, 1914.

EXCELLENCY: In connection with the discussions which have been going on during the past months with regard to the construction of the Hukuang Railways, I beg to give to your excellency every assurance that the American Group is not actuated by any desire to embarrass or delay the execution of this work, but that, on the contrary, its sole desire is to secure the establishment of such conditions as will make its efficient execution possible on the basis of business-like and economic principles favorable alike to your Government and to all the Groups.

While recognizing the great importance of the section committed to the American Engineer-in-Chief, and the great value as an instrument of commercial development which this section will have when completed, the

American Group nevertheless fully approves of, and is ready to cooperate with, the policy of concentrating the work primarily upon the British section so as to assure its completion at an early date, considering that the early establishment of through communication between Hankow and Canton is of great importance. The American Group, therefore, is always keeping in view the interest of the Chinese Government and of the Hukuang system as a whole.

The American Group has learned with gratification that your excellency and the Director-General of the Hukuang system are determined to give full support by general instructions and in detail to the principles contained in the resolutions of the Conference of Engineers held at Hankow in May last; and it trusts that these principles which, on the basis of free discussion, represent a fair statement of that impartial preference which is guaranteed by the Loan Agreement itself will be enforced in the management of the individual sections. It would appear essential to such impartial preference

1st: That the specifications upon which tenders are called for shall impartially recognize the standard engineering practices of the four nations concerned, leaving the details of construction to be determined in accordance with the approved engineering practice of the nationality of the respective bidder:

2d: That the provision that the most favorable bidders are to be awarded the contract shall be given its natural interpretation: i. e., that ordinarily the lowest bid is the most favorable unless specific valid reasons can be assigned for accepting a higher bid, and

3d: That, as the present maximum specified for direct orders to be awarded without tenders for bids is so high as to make possible the awarding of most of the work without inviting tenders, it is suggested that the maximum now fixed at £5,000 should be reduced; that £1,000 as a maximum would be amply large for the purpose intended.

If the resolutions of the May Conference are carried out by all parties in a loyal spirit, there is complete assurance that this important enterprise will proceed with efficiency, economy and due speed.

I avail [etc.]

PAUL S. REINSCH

[Inclosure 2]

Minister Reinsch to the Minister of Communications

AMERICAN LEGATION,
Peking, January 18, 1915.

EXCELLENCY: In a communication dated November 12 last I had the honor to make to your excellency certain suggestions in reference to the practical realization of the principle of impartial preference, established by the Hukuang Loan Agreement, as among the markets of the four nations furnishing the funds for the construction of the Hukuang Railways. Among these suggestions were the following, in reference to the application of the resolutions on standardization adopted by the Conference of Chief Engineers, held at Hankow in May last, and since formally ratified by your Ministry as applicable to the supply of materials for the Hukuang Railways:

1st. That the specifications upon which tenders are called for shall impartially recognize the standard engineering practices of the four nations concerned, leaving the details of construction to be determined in accordance with the approved engineering practice of the nationality of the respective bidder;

2d: That the provision that the most favorable bidders are to be awarded the contract shall be given its natural interpretation: i. e., that ordinarily the lowest bid is the most favorable unless specific valid reasons can be assigned for accepting a higher bid.

I regret to inform you that it has come to my knowledge that in a conversation with Mr. Julian H. Arnold (then American Consul General at Hankow), Mr. Cox, the Chief Engineer of the Canton-Hankow section, stated in November last that he had received no instructions which would obligate him to observe the resolutions of the Standardization Conference, and that even if he were so instructed he would consider himself warranted in rejecting any tender which did not precisely comply with his specifications, on the ground that such a tender would not be "the most favorable" within the meaning of Clause 7 of the

resolutions concerning bridges. As I need scarcely point out to you, such a quibble upon the phrase "the most favorable bidder"—a phrase which, it may be remembered, Mr. Cox had himself introduced into the resolutions with quite different explanations of its scope and purport—would defeat the whole object of the Standardization Conference by enabling any of the chief engineers to exclude the possibility of competition by any national market other than the one in accordance with whose engineering practice he might choose to draw his specifications.

The discussions I have had with your excellency have convinced me that you share the view held by the American Government as to the trusts constituted by the Hukuang Loan Agreement in favor of the nationals of the four lending nations, and that you are fully conscious of the responsibility thus imposed upon the competent Chinese authorities for the loyal and impartial administration of these trusts alike by the Chinese officials and by the foreign engineers, and the agents and employees of the Chinese Government. I therefore count upon your sympathetic reception of the further suggestions in this matter which I feel prompted to make in view of the attitude avowedly taken by one of the chief engineers to whom the duties and responsibilities of the Chinese Government, as trustee, have been delegated in so far as concerns the work of construction. I therefore venture to request that, in order to avoid any misconception as to the nature of their responsibilities, your Ministry should instruct the chief engineers of the several sections that they must regard themselves as administrators of trusts which impose upon them the obligation to assure to the four national markets that impartial preference, in the matter of the supply of materials, for which provision is made in the Loan Agreement.

I would also request that in conveying these general instructions to the various chief engineers, you should also point out to them that the resolutions of the Standardization Conference are to be interpreted and applied in the light of that view of their responsibilities, and that, concretely, the phrase "the most favorable bidder" is to be considered as meaning the lowest bidder, unless specific valid reasons, compatible with the principle of impartial preference, can be assigned for the acceptance of a higher bid.

In making these requests, I venture the opinion that a clear understanding of the nature of the responsibilities imposed upon the chief engineers, and an unequivocal interpretation of the resolutions of the Standardization Conference, would tend effectively to define the issues involved and would thus make it easier, alike for the Chinese Government and for the other interests involved, to realize the purposes of the agreement under which the Hukuang Railways are being constructed, and to obviate the causes of complaint which have hitherto unfortunately been so frequent.

I avail [etc.]

PAUL S. REINSCH

[NOTE—With the object of giving more practical effect to the principle of impartial preference, as among the markets of the four nationalities concerned, in respect to the supply of equipment and materials, a conference of directors and engineers-in-chief of the Hukuang railways was held, under the chairmanship of the Director-General (Dr. Jeme Tien-yu) at Hankow in May, 1914. The following articles were adopted by the conference in reference to bridges (May 20 and 21) and in regard to locomotives and rolling-stock (May 25).]

Hankow Conference Resolutions concerning Equipment and Materials for Hukuang Railways, May 20-25, 1914

(Reported to the Department by Vice Consul General Jameson, Hankow, June 5, 1914. File No. 893.77/1386)

BRIDGES

1. Consulting engineers to be appointed by the Ministry of Communications in each country with authority to approve or reject the designs and workmanship of the manufacturers and to officially accept the structure on behalf of the section for which the structure is intended.

2. All indents must be forwarded by the managing directors of the various sections to the Director-General, who in sending indents to the purchasing agents will forward copies simultaneously to the Group Banks in New York, London, Paris and Berlin for distribution and advertisement, and the representatives of the Group Banks in Peking for distribution to the local representatives of the American, British, French and German manufacturers.

3. Sealed bids with recommendations to be presented to the Director-General at Hankow by the consulting engineers of the various countries interested ninety days from the date indents are forwarded by the Director-General to the Group Banks in New York, London, Paris and Berlin. Local manufacturers forward their bids direct to the Director-General at Hankow.

4. All tenders to be publicly opened in the presence of the bidders' representatives on that date.

5. The specifications of the material to be used throughout in tendering for the supply of bridges and bridge material and for the manufacture and fabrication of same shall be in strict accordance with the recognized standards and best practices prevailing in Great Britain, France, Germany and the United States of America.

For material as accepted from Great Britain, the specifications for same shall be as recommended by the British Standards Committee as affiliated with the International Association for Testing Materials.

For materials as accepted from the United States of America, the specifications for same shall be in accordance with the specifications recommended by the American Society for Testing Materials, affiliated with the International Association for Testing Materials.

For materials as accepted from Germany, the specifications for same shall be in accordance with the specifications as recommended by Konigl. Preussische Staatseisenbahn Verwaltung (Royal Prussian State Railway Administration).

For materials as accepted from France, the specifications for same shall be in accordance with the specifications as recommended by a similar society in accordance with the specifications as recommended by a similar society to the above and affiliated with the International Association for Testing Materials.

6. The chief engineers shall submit the type of bridge required, together with the span, length over-all, depth or height, width or loading, when tenders are invited, and the bidders shall submit tenders each in accordance with the approved specification of the nationality of the bidders.

7. The most favorable American, British, French and German bidders complying with the adopted specifications to be immediately awarded the contract.

LOCOMOTIVES AND ROLLING STOCK

1. Consulting engineers to be appointed by the Ministry of Communications in each country with authority to approve or reject the designs and workmanship of the manufacturers and to officially accept the locomotives and rolling stock on behalf of the section for which the locomotives and rolling stock are intended.

2. All indents must be forwarded by the managing directors of the various sections to the Director General, who in sending indents to the purchasing agents will forward copies simultaneously to the Group Banks in New York, London, Paris and Berlin for distribution and advertisement, and the representatives of the Group Banks in Peking for distribution to the local representatives of the American, British, French and German manufacturers.

3. Sealed bids with recommendations to be presented to the Director-General at Hankow by the consulting engineers of the various countries interested ninety days from the date indents are forwarded by the Director-General to the Group Banks in New York, London, Paris and Berlin. Local manufacturers will forward their bids direct to the Director-General at Hankow.

4. All tenders to be publicly opened in the presence of the bidders' representatives on that date.

5. The specifications of the material to be used throughout the tendering for the supply of locomotives and rolling stock and for the manufacture and fabrication of same shall be in strict accordance with the recognized standards and best practices prevailing in Great Britain, France, Germany and the United States of America.

Only usual tests of quality shall be required and no chemical analysis to be prescribed. Furthermore, the production of the steel shall be left to the manufacturers.

In construction and design of details each country to use its own standards, method of construction, quality of workmanship and tests and all of the foregoing, providing they are standard in one of the four countries, are to be acceptable to the other three countries.

All tenders to be accompanied by a certificate from the manufacturer indicating upon the basis of which specifications the tender is made, bidders being privileged to select one of the four following specifications:

1. The specifications recommended by the British Standards Committee.
 2. The specifications recommended by the American Society for Testing Materials.
 3. The specifications recommended by the Königl. Preussische Staatseisenbahn Verwaltung (Royal Prussian State Railway Administration).
 4. The specifications recommended by the Cahiers des charges unifiés des compagniers françaises de chemins de fer.
 6. English and metric standard system of measurements. In the event of specifications being issued in the metric system the English equivalent to the nearest sixteenth of an inch higher is to be accepted, and in the event of specifications being issued in the English system the correspondingly higher metric equivalent is to be accepted.
 7. The engineer-in-chief specifies in the tenders the type of construction of the engines, including the general measurements required, as accurately as possible. All details referring to maximum axle pressure, power of engine, gradients, curves, etc., must be mentioned in the tender-specifications.
- In the tender-specifications accurate description of special engine fittings should be made by the engineer-in-chief.
8. The construction of the engines shall be under the control of the consulting engineer. He is also responsible for tests of material used for their construction. Any proposals made by the consulting engineer should be carefully considered. Parts which are rejected on account of faulty material or bad workmanship must on no account be used.
 9. The most favorable American, British, French and German bidders complying with the adopted specifications to be immediately awarded the contract.

File No. 893.77/1452

The Secretary of State to Minister Reinsch

No. 266

DEPARTMENT OF STATE,
Washington, April 9, 1915.

SIR: Receipt is acknowledged of your Despatch No. 519 of January 18, 1915, with enclosures, regarding the present status of the tenders for bridge material for the Canton-Hankow (British) section, under indents 11, 12, and 31.

In reply you are advised that the Department approves your notes of November 12, 1914, and January 18, 1915, to the Minister of Communications, copies of which were enclosed with your despatch.

I am [etc.]

For the Secretary of State:
ROBERT LANSING

File No. 893.77/1469

Minister Reinsch to the Secretary of State

No. 624

AMERICAN LEGATION,
Peking, May 6, 1915.

SIR: Referring to the Legation's despatch (No. 286) of June 29, 1914,² I have the honor to enclose herewith a copy of the English text of a contract concluded on March 31, 1914, between

the Chinese Government and the The British and Chinese Corporation, Limited, for a loan of £8,000,000 for the construction of a railway from Nanking to Nanchang and thence to Pinghsiang to connect with and incorporate the present Pinghsiang-Chuchow Railway (the latter point being on the line of the Canton-Hankow section of the Hukuang Railways), with a branch to Wuhu (Article 2)—and with a preference for an extension from at or near Hweichowfu, via Yu Chien, to Hangchow (Article 19). The text of this agreement, hitherto unobtainable, has been supplied to the Legation by an official of the Ministry of Communications.

The loan agreement transmitted herewith is of the classical type, and appears to require no comment except upon the political significance conferred upon it by the Japanese demands of January 18 last,¹³ in view of the fact that the fifth paragraph of Article Five of those demands, reading in part as follows:

China agrees to grant to Japan the right of constructing a railway * * * line between Nanchang and Hangchow * * *

contemplates the concession to Japan of a line which would closely parallel, if it did not altogether replace, the line of which the construction of the Nanchang-Hweichowfu section is given outright, and of which the option for the Hweichowfu-Yu Chien-Hangchow section is reserved, to the British and Chinese Corporation.

I have [etc.]

PAUL S. REINSCH

NANKING-HUNAN RAILWAY LOAN AGREEMENT

This agreement is made at Peking on the thirty-first day of March 1914, corresponding to the thirty-first day of the third month of the third year of the Chinese Republic, and the contracting parties are:

The Government of the Republic of China (hereinafter called "the Chinese Government") acting through the Minister of Finance and its Minister of Communications, of the one part, and the British and Chinese Corporation Limited, (hereinafter called "the Corporation") of the other part.

Article 1. The Chinese Government hereby authorizes the Corporation to issue a five percent (5%) Gold Loan for an amount of eight million pounds (£8,000,000) sterling. The loan shall be of the date on which the first series of bonds is issued to the public and shall be called The Chinese Government Five Percent Nanking Hunan Railway Loan.

Article 2. The loan is designed to provide capital, first: For the resumption by the Chinese Government of the Anhui Provincial Railway Company's works and property in the neighborhood of Wuhu: secondly,

For the construction of a government line of railway from Nanking to Nanchang through Ningkwofu and Hweichowfu, and with connection to Wuhu and Kuangtechou; and from Nanchang to Pinghsiang, to Chuchow: thirdly,

For the incorporation of the said Chuchow Pinghsiang railway as an integral part of the railway to be constructed under the present loan agreement from Nanking to Pinghsiang. The actual route to be followed between these two points shall be decided by the Ministry of Communications after completion of the final survey.

Article 3. The capital so provided shall be solely devoted to the purposes above-stated, including the purchase of land, rolling stock and other equipment, and to the working of the railway and to payment of interest on the loan during the period of construction which is estimated at four years from the actual beginning of the works, the commencement of which is not to be delayed beyond six months from the date of the signature of this agreement, within which period the Corporation shall place a sum not exceeding £500,000

¹³ For. Rel. 1915, p. 79.

at the disposal of the Railway Administration, to be held in Europe or remitted to China as it may direct, as a first instalment on account of the proceeds of the loan. This amount of £500,000 or whatever portion thereof is actually advanced, together with interest thereon not exceeding a charge of six percent (6%) per annum, shall be deducted from the proceeds of the first series of bonds.

Article 4. The rate of interest for the loan shall be five percent (5%) per annum on the nominal principal, and shall be paid to the bondholders half-yearly. The interest on each series of the loan shall be calculated from the date on which it is issued to the public and shall be paid by the Chinese Government during the time of construction either from the proceeds of the loan or from other sources, and afterwards in the first place, out of the revenue of the railway, and then from such other revenues as the Chinese Government may think fit to use for the purpose in half-yearly instalments according to the amount specified in the schedule attached to this agreement and fourteen days before their due dates, Western Calendar, as calculated half-yearly from the date on which each series of the loan is issued to the public.

Article 5. The term of the loan shall be forty-five (45) years, repayment of principal shall commence after the expiry of the fifteenth (15) year from the date of the loan and, except as provided in Article 6 hereinafter, shall be made by yearly amortization to the Hongkong and Shanghai Banking Corporation out of the revenues of the line or such other revenues as the Chinese Government may think fit to use for the purpose according to the amounts specified in the schedule attached to this agreement, but fourteen (14) days before their due dates, Western Calendar, as calculated from the date on which the first series of the loan is issued to the public.

Article 6. If at any time after the lapse of fifteen (15) years from the date of the loan the Chinese Government should desire to redeem the whole outstanding amount of the loan or any part of it not yet due for repayment in accordance with the schedule of repayments hereto attached, it may do so until the twenty-fifth (25) year, by payment of a premium of two and a half (2½) per cent on the face value of the bonds, that is to say, by payment of one hundred and two pounds and ten shillings for each £100 bond, and after the twenty-fifth (25) year without premium; but in each and every case of such extra redemption, the Chinese Government shall give six months notice in writing to the Corporation and such extra redemption shall be effected by additional drawings of bonds to take place on the date of an ordinary drawing as provided for in the prospectus of the loan.

When the loan has been fully repaid this agreement will immediately become null and void. Bonds and interest coupons which have matured will be collected in due order and cancelled by the Hongkong and Shanghai Banking Corporation as they are presented for payment and will be delivered by it to the Chinese Minister in London. The Corporation will refund in full to the Chinese Government the amount of any drawn bonds or any interest coupons which have not been presented for payment within thirty years from the respective due dates for redemption or payment of interest.

Article 7. The Hongkong and Shanghai Banking Corporation having been appointed by the Corporation Agents for the service of the loan the payments due for amortisation and interest, referred to in Articles 4 and 5, shall be made in accordance with the amounts of the schedule attached to this agreement and fourteen days before their due dates. These payments shall be made by the Ministry of Communications to the Hongkong and Shanghai Banking Corporation, in Shanghai, in Shanghai sycee and/or coin of the national currency, so soon as the said currency shall have been effectively established, sufficient to meet such payments in gold in London, exchange for which shall be settled with the bank either on the date of payment or at the option of the railway administration at any date or dates within six months previous to any due date for the repayment of interest and principal. These payments may, however, be made in gold in London fourteen days before their due dates, if the Chinese Government should happen to have gold funds *bona fide* at their disposal in Europe not remitted from China for the purpose, and desire so to use them.

In reimbursement of expenses connected with the payment of interest and repayment of principal of the loan the Hongkong and Shanghai Banking Corporation will receive a commission of one-quarter per cent on the annual loan service.

Article 8. The Chinese Government hereby unconditionally guarantees that the interest and principal of this loan shall duly be paid in full, and should the revenues of the railway and/or the proceeds of the loan be not sufficient to provide for the due and full payment of interest and repayment of principal, the Chinese Government will make arrangements to ensure that the amount of deficiency shall be met from other sources and handed over to the Hongkong and Shanghai Banking Corporation on the date upon which funds are required, to complete full payment of interest and repayment of principal.

Article 9. The loan shall be secured by mortgage of the railway declared to be now entered into in equity by virtue of this agreement, and shall, as soon as possible hereafter be secured by a specific and legal first mortgage in favour of the Corporation upon all lands, materials, rolling stock, buildings, property and premises of every description purchased or to be purchased for the railway, and on the railway itself, as and when constructed, and on the revenues of all descriptions derivable therefrom.

The provisions of this article in respect of the mortgage are to be construed and treated as equivalent in purport and effect to a mortgage customarily executed in England.

Article 10. The Corporation is hereby authorized to issue to subscribers to the loan, bonds for the total amount of the loan for such amounts as may appear advisable to the Corporation. The form of the bonds shall be settled by the Corporation in consultation with the Minister of Communications or the Chinese Minister in London. The bonds shall be printed or engraved in Chinese and English; they shall bear the facsimile of the signature of the Minister of Communications and of his seal of office, in order to dispense with the necessity of signing them all in person. But the Chinese Minister in London shall previous to the issue of any bonds, put his seal upon each bond with a facsimile of his signature, as a proof that the issue and sale of the bonds are duly authorized by, and binding upon, the Chinese Government, and the representative of the Corporation in London shall countersign the bonds as agents for the issue of the loan.

In the event of bonds issued for this loan being lost, stolen or destroyed, the Corporation shall immediately notify the Minister of Communications and the Chinese Minister in London, who shall authorize the Corporation to insert an advertisement in the public newspapers notifying that payment of the same has been stopped and to take such other steps as may appear advisable or necessary according to the laws and customs of the country concerned, and should such bonds not be recovered after a lapse of time to be fixed by the Corporation, the Minister of Communications or the Chinese Minister in London shall seal and execute duplicate bonds for like amount and hand them to the Corporation, by whom all expenses in connection therewith shall be defrayed.

Article 11. All bonds and coupons and payments of interest and repayments of principal in connection with the service of the loan shall be exempt from all Chinese taxes and imposts during the currency of this loan.

Article 12. All details necessary for the prospectus and connected with the payment of interest and repayment of the principal of this loan, not herein explicitly provided for shall be left to the arrangement of the Corporation in consultation with the Chinese Minister in London. The Corporation is hereby authorized to issue through its agents the Hongkong and Shanghai Banking Corporation the prospectus of the loan as soon as possible after the signing of this agreement, and the Chinese Government will instruct the Chinese Minister in London to cooperate with the Corporation in any matters requiring conjoint action and to sign the prospectus of the loan.

Article 13. The loan shall be issued to the public in two or more series of bonds, the first issue to be made to an amount not exceeding four million pounds sterling (£4,000,000) as soon as possible after the signature of this Agreement. The price of the bonds to the Chinese Government shall be the actual price of issue to the public in London less flotation charges of four (4) points retainable by the Corporation, that is to say, of four pounds (£4) for every £100 bond issued. The second and subsequent series shall be issued in time to permit of uninterrupted continuance of the work of construction in amounts to be determined by the Ministry of Communications in consultation with the Corporation.

All expenses in connection with the flotation and issue of this loan, such as underwriting, commission and brokerage, telegraph charges, advertising, postage, engraving and printing of prospectus and bonds, and legal fees, shall be borne by the Corporation.

The Stamp duty shall be borne by the Chinese Government.

Article 14. The proceeds of the loan shall be paid to the credit of a Nanking Hunan Railway Account with the Hongkong and Shanghai Banking Corporation in London. Payments of loan proceeds into the credit of this account shall be made in instalments and on dates conforming to the conditions allowed to the subscribers of the loan. Interest at the rate of three (3%) per cent per annum shall be granted on the credit balance of the portion of this account kept in London and interest on the credit balance of the portion transferred to China will be allowed at the Bank's usual rate for such accounts. After deduction of the funds required for the services of interest and for commission on this service during the time of construction, the Bank will hold the net proceeds with accrued interest to the order of the Ministry of Communications, who, in authorizing the payment or transfer of any sums exceeding £20,000 shall give notice to the Hongkong and Shanghai Banking Corporation ten days before the day on which they are required. Requisitions on the loan funds will be drawn in amounts to suit the progress of construction of the railway by orders on the Hongkong and Shanghai Banking Corporation signed by the managing director or his duly authorized representative, and the chief accountant, and accompanied by a certificate stating the nature and cost of the work to be paid for.

Funds to meet monthly or quarterly estimates of construction expenses shall be transferred to Shanghai as and when required by order of the directorate general of railways of the Ministry of Communications, such transfers being effected through the Hongkong and Shanghai Banking Corporation and transferred funds shall remain on deposit with this bank until required for railway purposes. The rate of exchange for each transfer shall be settled with the bank either on the day on which such transfer is made or at the option of the directorate general of railways of the Ministry of Communications on any date or dates within six months previous to the day on which the transfer is to be made.

The accounts of the railway will be kept in Chinese and English in accordance with the accepted modern methods, under the direction of a duly qualified British chief accountant to be chosen and appointed by the directorate general of railways of the Ministry of Communications.

The chief accountant will draw up a list of the necessary staff for his department for submission to the managing director, who shall decide and make the appointments, and the chief accountant shall have sole charge under the authority of the directorate general of railways of the Ministry of Communications and/or the managing director, or his duly authorized representative, of all disbursements and receipts of railway funds during the currency of this loan, and shall sign, in conjunction with the managing director, or his duly authorized representative, all documents appertaining to the disbursement of railway funds. The railway administration will publish annually upon the close of its financial year a report in the English and Chinese languages showing the working accounts and traffic receipts of the railway, which report shall be procurable by the public on application.

Article 15. If during the time of construction the net proceeds of the present loan with accrued interest, should, after deduction of the sums necessary for the service of interest on the loan, not be sufficient to complete the construction and equipment of the railway line, the amount of deficiency shall be provided, in the first place, from such Chinese funds as may be available, so as to permit of the uninterrupted continuance of the work of construction, any balance then uncovered being provided by a further foreign loan for the amount required, to be issued by the Corporation. The interest and other conditions of such supplementary loan to be the same as in the present agreement. If after the completion of the line there should be balance at credit of the railway account such unused balance shall be at the disposal of the Ministry of Communications to be used either for the purpose of paying interest on the loan or for other construction work and improvements or equipment of the railway, or for the construction and equipment of branch lines beneficial to the railway.

Article 16. The construction and control of the railway shall be vested entirely in the Chinese Government. The directorate general of railways of the

Ministry of Communications will appoint a managing director of the railway who will reside in the immediate neighbourhood of the line. The engineer-in-chief, who will be chosen and appointed by the directorate general of railways of the Ministry of Communications with the previous consent of the Corporation, shall be a duly qualified British engineer and shall take orders from the directorate general of railways of the Ministry of Communication and/or the managing director, or his duly authorized representative. The terms of his agreement will be fixed by the directorate general of railways of the Ministry of Communications. His duties will be to make the survey, draw up the plans of the line and make estimates, to direct the efficient and economical execution of the works and to order under the authority of the directorate general of railways of the Ministry of Communications and/or the managing director, or his duly authorized representatives, all the materials and equipment necessary for the exploitation of the railway. He will draw up a list of the necessary Chinese and foreign engineering staff for submission to the managing director and the managing director shall appoint and send them to the engineer-in-chief who shall then assign works to them. Whenever functions of engineering employees, whether Chinese or foreign are to be defined, as well as in the case of their dismissal, the engineer-in-chief shall be empowered to take the necessary action by the directorate general of railways of the Ministry of Communications and/or the managing director or his duly authorized representative. The services of the British engineer-in-chief will be retained during the currency of the loan.

As and when any section of the line is constructed and ready for traffic it will be handed over by the engineer-in-chief to the managing director who will, as far as circumstances permit, open such section to traffic, and the directorate general of railways of the Ministry of Communications will select and appoint a duly qualified British traffic manager acceptable to the Corporation who will be charged during the currency of this loan with the operation of the railway under the orders of the directorate general of railways of the Ministry of Communications and/or the managing director or his duly authorized representative. The expenses for training a reasonable number of Chinese students in the engineering accounts or traffic departments shall be defrayed by the railway administration.

The railway may maintain a force of Chinese police with Chinese officers, their wages and maintenance to be wholly defrayed as part of the cost of construction and maintenance of the railway. In the event of the railway requiring further protection by the military forces of the Central or Provincial Governments, the same will be duly applied for the railway administration and promptly afforded, it being understood that such military forces shall be maintained at the expense of the Central Government or the Provinces.

Article 17. All receipts and earnings of the line shall be regularly paid into the railway's account with the Hongkong and Shanghai Banking Corporation, interest on such funds being allowed by the bank at rates to be arranged for current account or fixed deposit as the case may be.

All expenses of working and maintaining the line shall be paid from the receipts and earnings and any remainder thereof shall be charged with the service of the loan. It is hereby agreed that as soon as such surplus receipts suffice to meet the payments of interest and repayments of principal they will be paid to the Hongkong and Shanghai Banking Corporation in equal monthly instalments commencing six months before such payments fall due. If, after payment of working expenses, and making due provision for payment of interest on the bonds, and for repayment of principal due in accordance with the amortization schedule hereto attached, there remain surplus funds unappropriated and properly available for other purposes, such funds shall be at the disposal of the Chinese Government to be used in such manner as the Ministry of Communications may decide.

In the event of there being no surplus funds available as aforesaid from the earnings of the railway the amount required for payments of interest and repayments of principal shall be provided in accordance with the conditions of Article 8 hereinbefore.

Article 18. The corporation will act as agents for the railway and administration during construction for the purchase of all materials, plant and goods required to be imported from abroad. For all important purchase of such materials tenders shall be called for by the directorate general of rail-

ways of the Ministry of Communications and/or the managing director, or his duly authorized representative; in the case of all tenders indents and orders for the importation of goods and materials from abroad, the said agents shall purchase the materials required on the terms most advantageous to the railway, and shall charge the original net cost of the same plus a commission of five percent. It is understood that no orders for materials shall be executed or any expenditure incurred without the approval of the managing director or his duly authorized representative, to whom the engineer-in-chief shall apply for sanction.

In return for payment of commission as above stated the Corporation shall be prepared to superintend the purchase of all foreign materials required for the construction and the equipment of the railway, which shall be purchased in the open market at the lowest rate obtainable, it being understood that all such materials shall be of good and satisfactory quality, and that the railway administration shall have the right to reject on arrival in China materials which do not come up to specifications. At equal rates and qualities goods of British manufacture shall be given preference over other goods of foreign origin.

Original invoices and inspectors' certificates are to be submitted to the railway administration: all return commissions and rebates of every description shall be credited to the railway: and all purchases made by the agents on behalf of the railway shall be supported by manufacturers' original invoices and inspectors' certificates.

No commission shall be paid to the agents except as above provided: but it is understood that the railway administration shall provide out of railway funds for the remuneration of consulting engineers, whenever their services are engaged.

With a view to the encouragement of Chinese industries preference will be given, at equal prices and qualities, over British or other foreign goods, to Chinese materials and goods manufactured in China. No commission will be paid to the Corporation on purchases of such materials and goods.

It is understood and agreed that after completion of construction of the railway the Corporation will be given the preference for such agency business, during the currency of the loan, for the supply of foreign materials as the railway administration may require, on terms to be hereafter mutually agreed upon.

Article 19. A branch line from a point on the main line at or near Hweichowfu, passing through Yu Chien, to Hangchow, and a connecting line from the Nanchang Pinghsiang section to a point on the Hupei section of the Hukuang Railway, if found by the Chinese Government to be profitable or necessary later on, shall be built by the Chinese Government with funds at their disposal from Chinese sources, and if foreign capital is required preference will be given to the Corporation. The length of such lines shall be determined by the Chinese Government.

Article 20. The Corporation is hereby appointed trustee for the bondholders, and in any future negotiations respecting this loan or matters arising in connection therewith, which may take place between the railway administration and the Corporation, the latter are hereby empowered to represent the bondholders and to act on their behalf.

Article 21. If after the signature of this agreement and before the publication of the prospectus for the issue of the loan, any political or financial crisis should take place by which the market and the prices of existing Chinese Government stocks are so affected as to render, in the opinion of the Corporation, the successful issue of the loan impossible on the terms herein named, the Corporation shall be granted a reasonable extension of time to be mutually agreed upon for the performance of their contract. If within the time limit then determined the loan shall not have been issued, then this contract shall become null and void, and any advances made by the Corporation under the provisions of Article 3 of this agreement shall be repaid by the Chinese Government with accrued interest, but without any other compensation or remuneration whatsoever.

Article 22. The Corporation may subject to all its obligations under this agreement, transfer or delegate all or any of its rights, powers and discretions thereunder to any British company, directors or agents with power of further transfer and subdelegation: such transfer, subtransfer, delegation or subdelegation to be subject to the approval of the Ministry of Communications,

Article 23. This agreement having been signed and sealed by the contracting parties will be officially communicated to the Minister of Great Britain in Peking by the Waichiaopu after having been approved by the President of the Chinese Republic.

Article 24. Three sets of this agreement are executed in Chinese and English, two sets to be retained by the Chinese Government and one set by the Corporation.

In the event of any doubt arising regarding the interpretation of the contract the English text shall rule.

Signed at Peking by the contracting parties this thirty-first day of the third month of the third year of the Chinese Republic, corresponding to the thirty-first day of March 1914, Western Calendar.

CHU CH'I-CH'EN,
Minister of Communications
CHOU TZU-CH'I,
Minister of Finance

[SEALS OF THE MINISTERIES OF COMMUNICATIONS AND FINANCE]

S. F. MAYERS,
For the British and Chinese Corporation Limited (Seal)

File No. 893.77/1492

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, November 18, 1915, 3 p. m.

Complaints received stating Hukuang asks bid for locomotives requiring British design and that administration expects to place order by private tender contrary to agreement concerning American standards and public opening of bids. Urge the Minister of Communications to instruct as promised in your telegram of November 11, 1914.

LANSING

File No. 893.77/1493

Minister Reinsch to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Peking, November 24, 1915, noon.

Managing director of Hukuang Railway agrees to accept tenders for ten locomotives with alternative American standard specifications. Copies of the tenders to be opened on January 15 in New York have been sent to Hunt.

REINSCH

File No. 893.77/1494

AMERICAN LEGATION,
Peking, November 26, 1915, 3 p. m.

Hukuang bridge specifications, prepared by Cox, require shop erection. Managing director refuses to modify, considering requirement proper. I beg to request instructions as to how far to press protest and whether American manufacturers are willing to guarantee fit of bridges without shop erection.

REINSCH

File No. 893.77/1503

Minister Reinsch to the Secretary of State

No. 835

*AMERICAN LEGATION,
Peking, November 26, 1915.*

SIR: I have the honor to enclose, for the information of the Department, copies of despatches dated November 20 (No. 123), 23 (Nos. 124 and 125),² and 24 (No. 126),² from the Consulate General at Hankow, concerning materials for the Hukuang Railways; a copy of the Legation's instruction No. 1330, of even date to Hankow, and a copy of a note dated to-day, in which the Legation is lodging a protest with the Minister of Communications in regard to specifications for bridges included in requisition No. 65.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1—Extract]

*Consul General Cunningham to Minister Reinsch**AMERICAN CONSULATE GENERAL,
Hankow, November 20, 1915.*

SIR: It has been known to this office for a month that specifications were being prepared by the so-called British section of the Canton-Hankow Railway for locomotives and rolling stock, but it was not known earlier than the 17th instant that tenders had actually been invited for the supply of eight (8) locomotives. Upon inquiry to Dr. Jeme Tien-yow, director-general, it was ascertained that specifications had been sent to Messrs. Burnham Williams and Company, the Baldwin Locomotive Works, and the American Locomotive Company for quotations on locomotives, and on the 18th Director-General Jeme stated

Please note that in view of the fact that all the works of England, Germany and France are unable to supply these goods on account of the war in Europe, no tenders will be invited this time, as reported by the managing director of the section concerned.

The managing director and Mr. A. G. Cox, engineer-in-chief, were both called upon yesterday in Wuchang to inquire why these indents had not been forwarded in accordance with Sections 2 and 3 of resolutions regarding locomotives and rolling stock, and the former official stated that it was entirely due to the European war. He further assured me that it was not intended to establish a precedent in any way, nor was it intended to ignore American interests, but it seemed for the best interest of all to have the tenders made privately without waiting for ninety days to elapse as some of the locomotives were urgently needed. Time seemed to be the only factor to him as he stated that they had received instructions to complete the railroad to Changsha by the end of 1916, though it is very difficult to see any reason for this undue haste to justify ignoring the established practice.

Mr. A. G. Cox, engineer-in-chief, quite characteristically declared that he had the right to purchase locomotives or any other supplies wherever and whenever he liked. He stated present tenders would be secured by American manufacturers, he regarded the resolutions as impractical and more than useless as they dispensed with the technical knowledge of an engineer and required him to accept whatever was offered him from any country so long as it was manufactured in accordance with that country's specifications. He seemed to forget that he was a party to the resolutions. Mr. Cox has impressed me at all times, and particularly yesterday, as a man to whom no law or regulation is known except his own idea. I do not consider that he is anti-American any more than he is anti-anyone else who happens to criticise or attempts to regulate his manner of action. He stated that the United States

² Not printed.

had only two locomotive builders who could, by any possible chance, tender for locomotives and he did not propose that tenders should be received from any American, British, or other firm which was not on his approved list. Under these circumstances he saw no reason for public tenders; therefore the two American companies were asked to tender. It is probably known to the Legation as well as to this Consulate General that the "approved list" for British tenders is a very important one, and none but those on this list are permitted to tender for supplies required in the British colonies.

Mr. Cox's position, and also that of all the railway authorities, is absolutely untenable if the resolutions regarding locomotives and rolling stock are to be considered as in force, and this is true even though this office is assured that it is not to establish a precedent for future tenders. It seems highly probable that time is a factor of some importance, though these gentlemen exaggerate it at the present moment, but it is thought that these specifications have been completed sufficiently long to have permitted tenders being made by the end of this year if public tenders had been called, which is as early as private tenders may be expected. It is possible that these supplies can only be had by the United States, and in so far as our manufacturers are concerned, nothing might be lost to permit these tenders being made in the manner suggested. However, conditions of the English market are not known to this office. There is a further reason for objecting to the present mode of tendering, because this office is informed by Mr. G. L. Miner, representative of the American Locomotive Company, that if the particulars approved are strictly complied with, it will be necessary for an unusually high price to be charged, as they are upon the British lines, and there is a probability that once started along this line and normal conditions are resumed in Europe, American manufacturers will not be able to tender successfully. Section 5 of these resolutions specifically guarantees that tenders for the supply of locomotives shall be in strict accordance with the recognized standards and the best practice prevailing in the four countries participating in the loan. * * *

I have [etc.]

EDWIN S. CUNNINGHAM

[Inclosure 2]

Minister Reinsch to Consul General Cunningham

No. 1330

AMERICAN LEGATION,
Peking, November 26, 1915.

SIR: I have to acknowledge the receipt of your telegram of November 24, 4 p. m., which reports that ten locomotives are now to be ordered on public tender.

Your despatch No. 123 of the 20th instant clearly brings out the fact that while the asking for bids for locomotives in this case could be explained as due to the present abnormal conditions, yet if allowed to pass it would constitute a bad precedent on two points: 1st, the purchase of important materials without public tenders; and 2d, the specification of a particular type of rolling stock. As such a practice, no matter how unexceptional the present motives may be, is distinctly contrary to the provisions of the loan contract, and the resolutions, interpretative thereof, which have been adopted by the responsible engineers and ratified by the Minister of Communications, it is very important that an order without public tender and upon specifications which do not give an equal standing to the accepted engineering practice of each of the four nations concerned should not have been allowed to pass without protest.

I also have to acknowledge the receipt of the despatches (Nos. 124 and 125) of November 23, in which you report on the unwillingness of the director-general to modify requisition No. 65. For your information, I am enclosing a copy of a protest sent to the Minister of Communications to-day.

It is the opinion of this Legation that it should be settled, once and for all, that the procedure of awarding contracts for materials is to conform strictly to the letter and spirit of the loan contract and the resolutions of the engineers. Any other course of action would lead to endless uncertainty and friction. The Minister of Communications having sanctioned the resolutions, there should be no further question of their application. They provide a clear and simple

rule, by adherence to which all difficulties can be avoided and the manufacturers of the nation concerned placed upon a footing of equal opportunity.

Should there be continued difficulty in obtaining adherence to the resolutions, it is my intention to recommend that the American Group withhold its quota of the loan funds until the matter is equitably adjusted.

I am [etc.]

PAUL S. REINSCH

[Inclosure 3]

Minister Reinsch to the Minister of Communications

AMERICAN LEGATION,
Peking, November 26, 1915.

EXCELLENCY: I have the honor to inform you that the managing director of the Hukuang Railways has, on November 22 last, declined to act upon a protest of the American Consul General at Hankow that the specifications in requisition No. 65 (for bridges) be modified so as to conform to the resolutions regarding the standardization of bridges.

These resolutions established the principle that in specifications for bridges, the recognized standards and best practice prevailing in each of the four countries shall be accepted.

Requisition No. 65 requires that the bridges ordered shall be completely erected in the shops before being shipped. This procedure is not in accordance with the recognized standards and best practice prevailing in the United States. The methods of manufacture there have, through great diligence and expense, been made mathematically accurate to such an extent that shop erection is not practiced, as it would be an entirely superfluous work and expense.

Specifically to require shop erection is therefore to make a condition contrary to the recognized standards and best practice prevailing in the United States, and for that reason also contrary to the resolution adopted by the engineers, which have been given authority by instructions from your excellency.

I therefore have the honor to request that the managing director be instructed to have requisition No. 65 and all future requisitions drawn so as to be in accordance with the resolutions and the requirements of equal opportunity, under which the standard practices of the four countries concerned must be recognized.

I avail [etc.]

PAUL S. REINSCH

File No. 893.77/1494

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, December 17, 1915, 4 p. m.

Your cipher telegram of November 26, 3 p. m. Use of template and spacing machines makes all spans exact duplicates. This with inspection by consulting engineer should be sufficient. Full reply by mail.

LANSING

File No. 893.77/1501

The Secretary of State to Minister Reinsch.

No. 364

DEPARTMENT OF STATE,
Washington, December 18, 1915.

SIR: Referring to previous correspondence and especially to your telegram of November 26, 3 p. m., regarding the question of tenders

for bridges in connection with the Hukuang Railways, there is enclosed herewith for your information copy of a letter of December 14,² to the Department from the American Group transmitting a letter received by them from the president of the United States Steel Products Company in connection with this matter.

You will observe from the enclosed letter that the Steel Products Company is unwilling to give the guaranty required by the managing director of the Hukuang Railways because it has no knowledge of what class of men would attempt to erect these bridges, what experience they had had on this class of work or what delays the railroad company might claim. The company further states that as its work is laid out by means of templates and mechanical spacing machines, all spans of the same length would be exact duplicates and if one span of each length was erected and properly checked the railroad company would have sufficient assurance that the spans would go properly together. The company has bid upon the specifications exactly as called for, i. e., has given a price including shop erection of each span, and has also given an alternate price based upon the shop erection of one span only of each length, which alternate proposition, it feels sure, will save money for the railroad company, if considered.

You are instructed to take this matter up with Chinese Government and urge the fairness of the proposal of the United States Steel Products Company.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 893.77/1503

The Secretary of State to Minister Reinsch

No. 377

DEPARTMENT OF STATE,

Washington, January 5, 1916.

SIR: Receipt is acknowledged of your Despatch No. 835 of November 26, 1915, enclosing copies of three despatches received from the American Consul at Hankow, concerning the purchase of materials for the Hukuang Railways, a copy of the Legation's instruction to Hankow on this subject, and a copy of a note of November 26, 1915, to the Minister of Communications in which the Legation lodges a protest in regard to specifications for bridges included in requisition No. 65.

Your instruction of November 26 to Hankow regarding the bids for locomotives and your action in protesting to the Minister of Communications against the above-mentioned bridge specifications which discriminate against American manufacturers are approved.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

² Not printed.

File No. 893.77/1515

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, February 21, 1916, midnight.

While awarding order for ten locomotives to an American company Hukuang managing director accepted tender according to British not American standards although cost of former fifty thousand dollars higher. This defeats the policy of the May resolution.

I have the honor to suggest either demand for removal of British chief engineer for not adhering in his specifications to principle of equal opportunity or, preferably, action by the American Group, prevailing on bankers to issue orders placing standards of the other nations on an equal footing. In either case it may be necessary intimate that American quota of loan funds would be withheld until matter equitably settled.

REINSCH

File No. 893.77/1515

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, February 25, 1916, 3 p. m.

Your cipher telegram of February 21, midnight. Urge strongly upon Chinese Government the duty of compliance with Hukuang Loan Agreement. This Government learns with astonishment of managing director's violation of Article 18 and strongly protests. Article 17 places construction and control railway exclusively in Chinese Government. The American Government expects it to enforce observance of agreement by engineers and managing director or to remove and replace them.

LANSING

File No. 893.77/1524

The Secretary of State to Minister Reinsch

No. 419

DEPARTMENT OF STATE,
Washington, April 6, 1916.

SIR: There is enclosed herewith copy of a letter dated March 31, 1916, from the American Group, with reference to reports in the public press to the effect that the Chinese Government has signed an agreement permitting Russia to construct a railroad from Harbin to Aigun with a branch to Tsitsihar. You will ascertain and advise the Department if there is any foundation for the press reports referred to in the letter above mentioned. If such an agreement

has been entered into with Russia or is being considered, you will call the attention of the Chinese Government to the contract with the American Group described in the letter herewith enclosed.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

[Inclosure]

The American Group to the Secretary of State

NEW YORK, March 31, 1916.

SIR: We presume it is unnecessary to remind you—in connection with the current reports in the public press that the Chinese Government has signed an agreement permitting Russia to construct a railroad in Manchuria from Harbin to Aigun, with a branch to Tsitsihar—that in October 1909 there was signed a preliminary agreement between the Viceroy of Manchuria and the Governor of Fengtien on behalf of the Manchurian Administration, and the American Group, for the construction of a railroad from Chinchow to Aigun through Tsitsihar.¹⁴ This agreement was ratified by edict of the Imperial Chinese Government on January 20, 1910,¹⁵ and the American Legation at Peking was formally notified of the fact¹⁶ and was informed that the Viceroy of Manchuria had been instructed to negotiate a detailed agreement with the representative in China of the American Group.¹⁷ On April 26, 1910, the Viceroy of Manchuria and the Governor of Fengtien transmitted to the then agent in China of the American Group the English and Chinese text of a loan agreement of the Chinchow-Aigun Railway, stating that such agreement constituted “the final draft entered into and definitely fixed between the Viceroy of Manchuria and the Governor of Fengtien on the one part, and the American Group on the other part”, and that “as soon as ever we, the Viceroy of Manchuria and the Governor of Fengtien, shall have memorialized the Throne and obtained the Imperial assent thereto, the signatures shall thereupon be fixed and the agreement be made operative”.

While the American Group desire expressly to state that they have no wish to press at this time for final ratification of the loan agreement above referred to, yet they deem it proper to inform the State Department, as a matter of record, that they have never formally relinquished such rights as they may have under the arrangements with the Chinese Government as detailed above. On the contrary, they have stated to the Chinese Government from time to time that they consider all their rights under the foregoing arrangements to be reserved and continued.

We have no intention by this letter to suggest action to the Department of State, but simply write to inform you of our position, which is, of course, a matter of record in the Department but which you may be glad to have restated thus.

Respectfully,

THE AMERICAN GROUP,
By J. P. MORGAN & Co.

File No. 893.77/1536

Minister Reinsch to the Secretary of State

No. 1037

AMERICAN LEGATION,
Peking, April 20, 1916.

SIR: I have the honor to enclose for your information copies of a railway loan recently concluded between the Chinese Government and the Russo-Asiatic Bank.

¹⁴ For, Rel. 1910, pp. 231-233.

¹⁵ Id. 246.

¹⁶ Id. 248.

¹⁷ Id. 252-253.

The railway for the construction of which provision is made, is to be known as the Pin-Hei Line. The railway is to connect Harbin with Mergen and Heiheifu, on the Amur River opposite Blagoveshchensk. Mergen is to be connected by a branch with Tsitsihar on the Trans-Manchurian Railway. The projected line is, therefore, in part almost identical with the northern portion of the Chinchow-Aigun project.

It is to be remarked that while the Trans-Manchurian Railway is the property of a company, the Chinese Eastern Railway Company, which represents the Russian Government, the contract for the Pin-Hei Railway is drawn up along the lines of the usual railway loans to the Chinese Government. The funds are borrowed by the Chinese Government to which the railway is to belong. The bank, of course, enjoys the customary rights of control in connection with auditing and operation.

In a conversation on the concession, Mr. Grave, the Russian Chargé d'Affaires, explained to me that the construction of the section from Harbin to Mergen was considered especially desirable because of the agricultural and forestry resources of the region traversed. He stated that while the commencement of the work would have to be delayed on account of the war the above portion at least, would be undertaken as soon as money could be secured.

The eventual raising of a part or the whole of this loan in America and the purchasing of materials from the same source is taken account of in the contract (Articles VII and XIV); it would, therefore, appear that the Russian bank would be inclined to make arrangements with American capitalists to further the early construction of the line.

I have [etc.]

PAUL S. REINSCH

[Inclosure—Translation]

Agreement for the Chinese Government 5% Gold Loan of 1916 for the Pin-Hei Railway.—March 27, 1916

ARTICLE I. Contracting Parties.—The present contract is concluded at Peking the 27th day of March, 1916, the twenty-seventh day of the third month of the fifth year of the Chinese Republic, between the Government of the Chinese Republic (hereinafter called "the Chinese Government"), represented by His Excellency Chow Hsueh-Hsi, Minister of Finance, and His Excellency Liang Tun-Yen, Minister of Communications, duly authorized, *of the first part*; and the Russo-Asiatic Bank (hereinafter called "The Bank"), a joint stock company established in Petrograd, represented by Mr. L. de Hoyer, duly authorized, *of the second part*.

ARTICLE II. Date, Designation and Amount of the Loan.—The Chinese Government authorizes the Bank to issue a gold loan for the nominal amount of Roubles 50,000,000 (fifty millions) either at once or by successive issues equivalent to an approximate amount in French francs, Belgian francs, pounds sterling, or American dollars, at the option of the Bank.

The proceeds of the issue shall be carried by the Bank to the credit of the Chinese Government in the currency of the market or markets of issue, and for the amount realized in each market. The payment of interest and the repayment of the bonds shall be effected in the currency of the issuing market, and in other places in their respective currencies at the rate of the day. The Bank shall be in charge thereof.

The loan shall bear the date of the issue of the bonds. It shall be known as: The "Chinese Government 5% Gold Loan of 1916, for the Pin-Hei Railway."

ARTICLE III. Purpose of the Loan.—This loan is destined exclusively to furnish the funds required for the following purposes:

1. The construction, equipment and putting into operation of a line which shall connect Harbin, or a point situated on the Chinese Eastern Railway near Harbin with Hei-hei-fu (Sahalian), situated on the Amur opposite the town of Blagoveshchensk, passing through Mergen, with a branch road connecting Mergen and Tsitsihar. The exact route of the line shall be decided upon by common consent between the director general, representing the Chinese Government, and the engineer in chief, designated according to Article 15, who will for this purpose be guided by the interests of the enterprise.

It is understood that the construction and equipment shall comprise the acquisition of the necessary lands, rolling-stock and other installations, and the means of connection with the Chinese Eastern Railway in such manner as to assure the easy and profitable operation of the line.

The Chinese Government will take all the measures and assume all necessary indemnities and charges whatsoever with a view to assuring the passage of the line through public property, both governmental and provincial, and private property, both in towns and villages and in the country. All the funds required for this purpose by the Chinese Government, of which estimates shall be made by the director general, shall be put into his hands, and shall be charged against the proceeds of the loan. However, the amount of payments to be made under this heading to the Chinese Government shall be fixed by agreement between the director general and the Bank, and shall be subject to the revision of the engineer in chief, in conformity with Article XIII, hereafter.

2. For the purchase of the line running from the town of Tsitsihar to the Chinese Eastern Railway, and the incorporation of that branch with the present line. The purchase of the line shall be made through the Director General.

3. For the payment of the interest coupons upon the loan, as well as the working expenses during the period of construction, the duration of which is estimated at five years, and which shall be definitely fixed after the completion of the surveys.

In case the construction should be concluded sooner than is anticipated, the balance of funds so obtained shall be consigned to the Bank, and shall constitute a reserve fund for the payment of the interest coupons on the present loan, or else for work of improvement or repair of the line.

In case the Chinese Government should come to an arrangement with the Russian Government for the purpose of connecting Hei-hei-fu and Blagoveshchensk, by a bridge or by a ferry-service between the two banks of the Amur, the details of this enterprise shall be the subject of an exchange of letters between the representatives of the Chinese Government and the Bank, which letters shall be thereupon annexed to this contract.

ARTICLE IV. Interest.—The interest upon the present contract shall be reckoned at 5% (five per cent) per annum upon the nominal amount. It shall be paid semi-annually by the Chinese Government, through the Bank, to the bondholders; it shall be calculated to run from the date of the issue of said loan to the public, and paid under the conditions stipulated hereinafter.

ARTICLE V. Term and Repayment.—The term of the loan shall be forty-six years. The payment of principal shall begin at the expiration of sixteen years, counting from the date of issue to the public, subject to the right of anticipatory repayment as provided for in Article VI, hereafter. It shall be effected by annual and uniform amortizations, paid in halves, semi-annually, to the Bank. These payments shall correspond to the amounts specified in the amortization table annexed to this contract, and shall be made fourteen days before their due dates as fixed according to the European calendar, each half year following the date of public issue. Bonds and interest coupons as matured will be taken up and cancelled by the Bank, when they are presented for payment. The Bank will send them in good order to the Chinese Ministers accredited to the countries in which such payment may have been made.

The Bank shall repay to the Chinese Government the whole amount of every bond or interest coupon which may not have been presented for payment within thirty years from the date on which it was repayable or payable.

When the loan shall have been entirely paid off, the present contract shall immediately become null and void.

ARTICLE VI. Anticipatory Repayments.—The Chinese Government, after the expiration of sixteen years from the date of the loan, shall have the right

to repay at any time, in whole or in part, the amount of the loan not yet repaid, in consideration of a premium of $2\frac{1}{2}\%$ (two and one-half per cent), in case of repayment before the 27th year, upon the nominal value of those bonds on which payment may not yet be obligatory according to the table annexed to this contract:—that is to say, by paying for a bond of one hundred roubles, for example, two roubles and fifty kopecks. After the 27th year, it may make repayment without any premium whatever.

Every time that the Chinese Government wishes to make such an extraordinary repayment, it must give six months previous notice to the Bank in writing.

These extraordinary repayments shall be made by supplementary drawings of bonds, which shall take place at the same date as the ordinary drawings in accordance with the provisions of the prospectus of the loan.

ARTICLE VII. *Service of the Loan.*—The Chinese Government, by these presents, binds itself formally and without reserve to pay in full and punctually the interest and the principal of the loan, in accordance with the schedule annexed to the present contract. Furthermore, the Chinese Government accords to the holders of the bonds of the present loan a special guaranty on the Pin-Hei Railway.

This special guaranty constitutes a first mortgage on the line itself, its stationary and rolling-stock, its appurtenances and its profits. This is accepted by the Bank in the name of the bondholders.

If the Chinese Government is in arrears in the payment, at the date fixed, of all or part of the half-yearly interest or repayment of principal, the Bank shall have full power to exercise all the rights accruing from this special guaranty according to the laws in force on this subject in the countries of Europe, such as Russia, France or England.

During construction, the interest shall be paid out of funds deducted from the proceeds of the loan.

The Chinese Government shall take the funds necessary for the payment of interest, after the completion of construction, and for the repayment of principal, from the receipts of the railway, and in case of their insufficiency, from its general revenues.

The receipts of the railway shall be deposited without delay in the bank, and placed in a special account in roubles for the railway, at Harbin or at such other branch of the Bank in North Manchuria as it might designate.

The Bank will take out of these deposits the total amount necessary for the service of the loan on the two due dates next following; this operation will be so effected as to assure the provision of the gold required for this service at least fourteen days before the due dates.

The half yearly payments due for interest and for repayments of principal shall be deposited in the Bank fourteen days before the due dates fixed by virtue of the preceding paragraphs.

These deposits shall be made by the Minister of Communications with the Bank in Harbin, and must be of an amount sufficient to cover the payments in gold in Europe and in America.

In case, however, the receipts of the railroad should not be sufficient for the payment of interest and repayment of principal, and the Chinese Government should consequently be obliged to raise the necessary funds from its general revenues, such deposits shall be made by the Minister of Communications with the Bank at Shanghai or at such a place as the Bank may designate, in Shanghai sycee approved by the Bank, or in national currency (whenever this is in circulation); and they must be of an amount sufficient to cover these payments in gold in Europe and in America.

The payments may, however, be made in gold in Europe, if the Chinese Government happens to have at its disposal in Europe bona fide gold funds, not transferred from China for this purpose, which it wishes to use for this purpose.

In reimbursement for the expenses in connection with the payment of interest and the repayment of the principal of the loan, the Bank shall receive from the Chinese Government a commission of $\frac{1}{4}\%$ (one-fourth per cent) upon the annual loan service.

If in the future any Chinese State bank establishes a branch in Russia, and not a mere correspondent or foreign agent, this State bank shall share with the Bank to the extent of 50% (fifty per cent) in the service of transfer of funds.

ARTICLE VIII. Price of the Loan.—The price of bonds to be paid by the Bank to the Chinese Government shall be the price of their issue to the public in the Petrograd market, less 6% (six per cent) of their nominal value. In case no issue should be made in Petrograd, the price shall be that obtained in the place or places of issue, less 6% of the nominal value of the bonds. The Bank reserves the right to determine the amounts to be issued on the several markets. In fixing these amounts, it will take into consideration the conditions of those markets.

The Bank will assume the expenses incident to the issuing and placing of this loan, such as underwriting, commission and brokerage, outlays for telegrams and correspondence, advertising, engraving and printing of the prospectus and bonds, stamps and taxes.

The director general or the Ministers of China in the countries where the issue is to take place, shall be notified in advance of the rate of issue of the loan, which must be as favorable as possible.

ARTICLE IX. Issue.—The Bank is authorized to prepare immediately the gold bonds representing either the total amount or only a portion of the loan; it will keep them in its possession until the issue of the loan at as early a date as it considers favorable for making it. The Bank is authorized to deliver the bonds to subscribers in due time, according to prospectus of the loan.

The denomination of bonds shall be fixed by the Bank, which may prepare bonds of different values.

The Bank shall determine the form of the bonds, the language in which they shall be drawn up, and the currency in which their value shall be expressed, in conformity with the usages in the countries in which the issues are to be made. It shall in advance inform the director general of this, or the Minister of China in the countries of issue.

The bonds shall bear the facsimile of the signature and of the official seal of the Minister of Finance and of the Minister of Communications, in order to relieve them from signing them themselves.

As soon as the bonds shall have been printed, the Chinese Minister at Petrograd, or in the other countries where the issue is to be made, will cause to be affixed to each bond the facsimile of his official seal and of his signature, as proof that the issue and sale of these bonds are authorized by the Chinese Government, and are made in its name and for its account.

The bonds shall be sealed and countersigned by the Bank or by its agents in the countries where the issue is to be made.

All details necessary for the prospectus, or relating to the payment of interest and to the repayment of the principal of the loan, which may not have been fixed explicitly by the present contract, shall be arranged by the Bank, after having consulted with the Chinese Ministers accredited to the countries where the issue is to be made.

The Bank is authorized to publish the prospectus of the loan as soon as possible after the signing of the present contract.

The Chinese Government shall give instructions to its representatives accredited to the countries where the issue is to be made, that they shall sign the loan prospectus and that they shall give their co-operation to the Bank in all questions which may call for it.

The first series, of which the amount shall not be less than 10,000,000 roubles (ten million) or its equivalent in French francs, Belgian francs, pounds sterling, or gold dollars, according to Article II, shall be issued as soon as possible after the ratification of the present contract. The date of issue of the subsequent series, which shall not be less than one-fifth of the total amount of the loan, shall be fixed by mutual agreement between the Bank and the Chinese Government in such a way that the work and the purchase of materials provided for under the present contract shall suffer no delay. The Bank may nevertheless float the whole loan in one single issue if it deems it opportune to do so, on so advising in advance the Chinese Government, which will consent thereto.

The subscription shall be opened by the Bank, in Europe, in America, if an issue is made in that country, and in China, under equivalent conditions. Preference shall be given to the subscription of the Chinese Government on condition that this subscription is delivered to the Bank at least four days before the publication of the prospectus.

The Bank shall make known to the Chinese Government the date of the publication of the prospectus of the issue, at least seven days in advance.

If before the publication of the prospectus for the issue of the loan, the present state of war should not have ceased in Europe, or if in consequence of this crisis, the state of the markets should render the issue impossible, or if a political or financial crisis in China should seriously affect the price of Chinese Government securities already existing, the Bank shall be granted a reasonable extension of time for the execution of the present contract. If the loan has not been issued during this extension of time, the length of which shall have been fixed by mutual consent, the present contract shall become null and void.

ARTICLE X. *Lost Bonds.*—If any of the bonds issued for the present loan is lost, stolen or destroyed, the Bank will so advise the Minister of Communications as well as the Chinese Minister accredited to the country where such bond was issued.

The latter shall authorize the Bank to publish in the newspapers the notice that all payment on this bond is suspended, and to take all such measures as may be necessary under the circumstances in conformity with the laws and usages of the country.

If the bond has been destroyed, or if the lost or stolen bond has not been recovered within the period fixed by the Bank, the Chinese Minister accredited to the country shall affix his seal to a duplicate of the bond, of the same nominal value, and shall deliver it to the Bank in its capacity as representative of the owner of the bond lost, stolen or destroyed.

The Bank shall pay all expenses in behalf of the owner of the bond.

ARTICLE XI. *Exemption from Taxes.*—All bonds, all coupons, and all payments made or received in connection with the service of the present loan, shall be exempt from all Chinese imposts and taxes during the term of the loan.

ARTICLE XII. *The Bank Trustee.*—The Bank may act as trustee for the bondholders of the present loan.

It may undertake to represent them, and shall have the power to act in their name, in all negotiations which may be necessary with the Chinese Government, or in any discussion concerning the present loan.

ARTICLE XIII. *Deposit of Proceeds from the Loan—Accounts of the Railroad.*—The Bank shall deposit the proceeds of the loan to the credit of an account designated the "Chinese Government 5% Gold Loan of 1916 for the Pin-hei Railway," which shall be opened by the Bank in Europe, and in America if a block of the issue is placed in that country.

The proceeds of the loan shall be deposited to the credit of this account by successive payments, according to the conditions granted to subscribers to the loan.

The credit balance of this account shall bear interest to the profit of the Chinese Government at the rate of 3% (three per cent) yearly. As to the sums transferred to China, and not yet used, they shall bear interest at the best rate given by the Bank on ordinary deposits.

The Bank shall hold at the disposal of the director general the net proceeds of the loan plus the accrued interest, having care however to reserve the amount necessary for the payment of the interest coupon and the commission of the Bank on these coupons during the period of construction of the line, which is estimated at five years, but which will be definitely fixed after the completion of the surveys. A sufficient sum shall also be left in Europe and in America, if issue has been made in that country, for all payments for material and for staff.

The director general may transfer to China at his pleasure the funds of the loan, after having come to an agreement with the Bank on the subject. Transfers made during the course of a week cannot exceed £75,000 (seventy five thousand pounds sterling) without the consent of the Bank.

Transfers shall be made through the Bank, and the amount thereof shall be deposited to the credit of a "Pin-Hei Railway" account at Harbin, on the responsibility of the Bank.

According to the table of estimates drawn up by the engineer in chief for expenditures to be made in China during the month or months following, the director general shall determine the amount of the sum to be drawn from the account, which sum shall be deposited to a rouble account for construction, which account shall be opened by the Bank in Harbin, or at such other branch of the Bank in North Manchuria as it may designate.

This transfer from the Pin-Hei Railway account to the construction account shall be made under the care of the director general, and through the Bank. It

shall not involve the sums required for more than one month, unless the Bank consents thereto. The construction account shall bear interest at a rate fixed according to the rules in force for this category of current accounts.

Withdrawals from the construction account shall be made in sums sufficient to meet expenses in proportion to the progress of the railway line, by drafts addressed to the Bank, which drafts shall be signed by the director general and the engineer in chief jointly.

The amount of these drafts shall be turned over to an agent designated by the director general, against the receipt of the agent, and on the responsibility of the director general. This agent shall not part with these funds save upon a requisition signed jointly by the director general and the engineer in chief. The director general and engineer in chief shall have the most absolute right of control over all the expenditures and receipts of the railroad.

During the term of the loan, the accounts of the railroad shall be kept in Chinese and in Russian, according to the modern methods applied to Chinese railroads built with the aid of foreign capital, and under the supervision of a Russian chief accountant engaged by mutual consent of the director general and the Bank, and placed under the orders of the engineer in chief. The chief accountant shall draw up a schedule of the European staff which he thinks necessary for the proper conduct of his department, and shall submit it for the approval of the director general through the engineer in chief. The director general reserves the right to select and engage the Chinese staff required by the chief accountant, and shall place them under the latter's orders.

The administration of the railroad shall publish annually, at the close of the accounting year, a report in Chinese, Russian and French, showing receipts and expenses of operation of the railway. The public shall have access to this report on request.

ARTICLE XIV. *Eventual Deficit or Surplus.*—If the proceeds of the loan, augmented by the interest, are not sufficient to complete the construction and equipment of the railroad, the Bank shall issue a new series of the loan for the amount necessary for the entire completion of the line, and for putting it into definitive operation, advising the Chinese Government thereof in advance. The interest on the new series, as also the price, shall be the same as for the present loan.

The new series shall enjoy the same guaranties, and shall be placed in all respects on the same footing as the series of the present loan.

If, however, the Chinese Government should have *bona fide* funds available, these funds might be employed for the continuation, without interruption, of the construction work. These funds would be considered as forming part of the capital of the railway, but the dividends to which this capital would be entitled may not in any way impair the stipulation which assure the payment of interests and repayment of capital of the present loan.

If after the entire completion and equipment of the railway, there should remain a surplus of unused funds available, this surplus would be consigned to the Bank, and would constitute a reserve fund for the payment with which the Government is charged by reason of the present contract, or for the work of improving or repairing the line.

ARTICLE XV. *Construction.*—Surveys for the construction of the line shall be begun in the shortest time possible after the signature of the contract, and the work undertaken as soon as possible after the issue of the loan.

The length of the line shall be definitely fixed after the completion of the surveys. The width of the track must be the same as that of the Chinese Eastern Railway.

The Chinese Government shall name a director general for the line.

This functionary shall have permanent residence in the immediate vicinity of the work. He shall have full power to act in the name and for the account of the Chinese Government within the scope of the present contract. The engineer in chief shall be subordinate to him, or, in his absence, to his duly authorized representative. The compensation of the director general shall be fixed by the Chinese Government in agreement with the Bank, and devolve upon the railroad.

The work of construction of the line shall be carried on under the head directorship of the director general.

The director general and the Bank shall choose by mutual agreement and conscientiously, an engineer in chief who must be a Russian, experienced and honest.

The engineer in chief shall settle upon the surveys, plans, routes and estimates for the line, direct the execution of all the work, and order materials, tools and equipment necessary to insure regular operation. However, all these operations shall be submitted in advance for the approval of the director general.

The director general shall fix the amount of the salary of the engineer in chief after agreeing upon it with the Bank.

The engineer in chief shall prepare a schedule of European staff necessary for the construction work, and shall submit it for the approval of the director general. This staff, which includes the chief accountant, chiefs of the various departments, the chiefs of sections, etc., shall be engaged with the assistance of the Bank, which shall place them under the orders of the engineer in chief.

In whatever concerns the Chinese staff, technical or otherwise, the director general shall reserve the right to choose it. He shall place it under the orders of the engineer in chief. No employee, Chinese or European, shall be engaged without the consent of the director general.

It is understood that Chinese subjects, who have made special studies or have acquired sufficient practical knowledge may be recommended to the engineer in chief by the director general, who will employ them under the same conditions as the European employees; but it will be necessary first to send them to the engineer in chief, who, assisted by the technical delegate of the director general, shall examine into their capacities.

The director general may require the dismissal of any of the non-technical staff for serious faults. As for the technical staff and all the European staff, the director general may demand their dismissal from the engineer in chief, who must give effect to this demand if the reason indicated is found to be sufficient.

To discharge or dismiss the engineer in chief, the director general and the Bank must first agree upon it.

The European staff must in general show the highest respect for the director general and his special representatives. They should respect the local authorities and not mix in the affairs of the country. They must also respect the manners and customs of the Chinese in order to live on terms of good understanding with the inhabitants.

The intention of the contracting parties in inserting the foregoing stipulations is to safeguard the prestige of the director general, and to assure the regular progress of the work.

The director general also reserves the right, in agreement with the Bank, to delegate upon the work one or more special representatives furnished with full powers. The compensation of these representatives shall devolve upon the railway.

The Bank engages to come to an agreement with the Chinese Eastern Railway with a view to having a special tariff of 50 (fifty) per cent reduction from the usual rate for the transportation by that road of materials for constructing the Pin-Hei Road.

This advantage, however, will not extend to that part of the Chinese Eastern Railway between Kwanchengtze and Harbin.

ARTICLE XVI. Supplies.—The Bank shall act in the capacity of agent of the railway, during the period of construction, for the purchase of all materials, supplies and merchandise, tools and raw materials serving for the manufacture of materials in China, which have to be imported from abroad.

With a view to encouraging Chinese industry, at equal price and quality preference shall be given to Chinese supplies and materials manufactured in China, as against those of foreign production. No commission shall be paid on purchases of Chinese supplies and materials.

For all orders and purchases made abroad the Bank shall call for tenders with a view to obtaining the most advantageous conditions, especially those relating to quality and price. On equal terms, goods of Russian production shall be accepted by preference, if the engineer in chief recommends them to the director general; otherwise, and in general, supplies of Russian production or of the countries in which an issue of the loan is made, shall be placed on an equal footing and even enjoy on equal terms a preference over products of any other foreign origin. The orders as well as the specifications for the work shall be made by the engineer in chief and submitted for the approval of the director general.

Accounts of sums paid for supplies of materials and expenses of any kind paid in Europe shall be sent, with all vouchers supporting them, every three months to the general management for approval. The Bank shall add to the net original cost of supplies bought in Europe and America a commission of 5% (five per cent) as remuneration for its services as agent.

All orders made through the Bank for the railway shall be exempt from all customs duties, taxes and likin taxes on their entry into or transit through Chinese territory.

Nevertheless this stipulation shall not impair the right of the Chinese Government hereafter to levy upon these orders such future taxes as shall be paid upon those destined for the construction and equipment of all other railways of the country, without distinction.

ARTICLE XVII. *Operation during Construction.*—As fast as the different sections of the line are finished, the director general and the engineer in chief shall turn over the operation of such section or sections to a Russian chief of operation, who will be engaged by mutual agreement between the director general and the Bank, and placed under the orders of the engineer in chief; and they will in general, by mutual agreement, take such steps as are necessary for operating them.

ARTICLE XVIII. *Branch Lines and Future Extensions.*—When the Chinese Government shall deem it necessary or desirable to build branch lines connecting with this railway, or to extend this line, it shall do so from its own funds, that is, from funds proceeding from bona fide Chinese sources.

If it desires to call in foreign capital, it agrees to come to an agreement by preference with the Bank and to give it an option on the contracts relative to this enterprise, on the same terms as those which might be offered by other banks or foreign companies.

ARTICLE XIX. *Definitive Operation.*—The operation and administration of the railway shall be under the head directorship of the director general.

When the construction of the railway has been entirely completed, the duties of the engineer in chief shall be regarded as finished, and the director general, in agreement with the Bank must engage a Russian engineer who will be in charge of the operation of the railroad as well as of the maintenance of the line, and its materials and accessories. This engineer will be subordinate to the director general or, during his absence, to his duly authorized representative. The director general shall fix the terms of his engagement.

The engineer in chief, by agreement with the director general, shall engage the necessary European staff such as chief of operation, chief of line and works, chief of traction, chief of traffic.

In order to discharge or dismiss the engineer in chief, the director general and the Bank must first agree.

All receipts and expenditures must be placed regularly to the account of the railway with the Russo-Asiatic Bank, the interest upon the account being fixed at the best rate given by the Bank for deposits on sight or fixed deposits, as the case may be.

All the expenses for the operation and upkeep of the line shall be paid from the receipts and the various profits of the line, after which the net profits shall be directly applied to the discharge of the present loan.

If after payment of these expenses and after making provision for the payment of interest on the bonds and for the amortization of the principal according to the amortization table annexed to the present contract, there remain funds unused or available for other purposes, these funds shall be placed at the disposal of the Chinese Government.

The chief accountant general, who shall be of Russian nationality, shall be named by the director general in agreement with the engineer in chief. He shall sign, jointly with the representative of the director general all drafts and documents of account of every kind.

The representative of the director general and the engineer in chief shall have the most absolute right of control over the receipts and expenditures of the railway.

Whenever it is necessary to name technical agents for the railway, or to define their functions, or else to decide on their dismissal, the director general must consult the engineer in chief and act in agreement with him.

In case of disagreement between the engineer in chief and the director general the difference shall be submitted to the Minister of Communications, who will decide the question in the last resort.

The protection of the railway shall be assured by a force of Chinese police, commanded by Chinese officers, whose wages and maintenance shall be borne entirely by the railway as part of its own cost of construction and maintenance. The number of these guards shall be fixed by the director general in agreement with the Bank.

If the protection of the railway should necessitate employing further military forces belonging either to the Chinese Central Government or to the Provincial Government, such protection must be asked by the railway and granted promptly. The said military forces shall then be maintained at the expense either of the Chinese Central Government or of the Provincial Government.

In case of war with any nation whatsoever, or of a revolution in China, the transport of troops, munitions, and supplies of the Chinese army shall have precedence over all other commercial transportation. It shall be conducted in conformity with the instructions of the director general. It shall furthermore be forbidden to transport anything which might be of a character injurious to the Chinese Government.

Supplies.—It is understood and agreed that after the completion of the construction of the line, the Bank shall have a right of preference to conduct business as agent, during the term of the loan, for everything in regard to the supply of materials and raw materials which the administration may require, on terms which shall be agreed upon later by common consent. These conditions shall not be more favorable to the Bank than those stipulated under Article XVI.

In case there shall be a question of giving one or more foreign houses in the capacity of agents an order for any supplies for operation of the line, the Bank shall have under equal conditions the preference over others.

ARTICLE XX. Right of Delegation, Substitution and Transfer.—The Bank may designate one or more banks in China or abroad to execute jointly with it, or in its stead, all or part of the financial service with which it is entrusted by virtue of the present contract.

The Bank shall have the right, subject to all the obligations which it has undertaken by the present contract, to transfer or delegate all or part of its rights, powers and advantages to any other company or group, or to agents or administrators, with power of substitution in whole or in part.

It is clearly understood that these companies or groups to which delegation or substitution is effected by application of the preceding paragraph must be of Russian nationality, and that these transfers of rights shall be subject to the approval of the Minister of Communications.

ARTICLE XXI. Arbitration.—In case of conflict or of divergence of opinion between the Bank or its delegates and the director general on the subject of the execution of the present contract, these conflicts or differences of opinion shall be submitted to the decision of two arbitrators, one chosen by the Chinese Government, the other by the Bank. In case of disagreement, the two arbitrators shall designate a third arbitrator, who shall decide in the last resort.

ARTICLE XXII. Executory Formulas.—The present contract must be sanctioned by Presidential decree.

The promulgation of the decree shall be officially confirmed without delay by the Wai Chia Pu to his excellency the Minister of Russia at Peking.

It is made in four copies, each comprising the French text and the Chinese text; two copies shall be kept by the Chinese Government, and two by the Bank.

In case of doubt or difference as to the interpretation of the present contract, the French text alone shall govern.

Peking, March 27, 1916 (27th day of the third month of the fifth year of the Chinese Republic).

LIANG TUN-YEN
Minister of Communications.
CHOW HSUEH-HSI
Minister of Finance
L. DE HOYER

File No. 893.77/1527

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, May 6, 1916, 4 p. m.

American Locomotive Sales Corporation advised by cable of desire of the Ministry of Communications to obtain four year loan of

one million dollars upon security of total revenue. Mr. Muchnic states bankers disposed to make loan if security satisfactory. He requests your opinion of value of security, also confirmation of reported purpose of loan to complete Peking-Kalgan Railway extension.

LANSING

File No. 893.77/1530

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Peking, May 12, 1916, 1:50 p. m.

Your telegram of May 6, 4 p. m. In view of the fact that surplus revenue of Ministry of Communication last year was eight million dollars silver from railways and that Ministry has always promptly met its obligations, loan in question would seem to be amply secured. Although more in the nature of a general credit than a specific lien, yet it amounts to secondary lien upon the entire railway, post and telegraph revenue of China. The purpose of the loan Minister of Communication stated to me to be for the cost of extensions of the service both on railway and telegraph stock.

REINSCH

File No. 893.77/1542

Minister Reinsch to the Secretary of State

No. 1082

AMERICAN LEGATION,

Peking, May 17, 1916.

SIR: I have the honor to send a report, in a preliminary way, upon an agreement for a railway concession concluded to-day between the Chinese Government, through H. E. Tsao Ju-lin, Minister of Communications, and Mr. W. F. Carey, of Siems-Carey and Company, Ltd. A more complete report will follow by the next mail.

Negotiations have been proceeding for some time between the Minister of Communications and Mr. Carey. Mr. Liang Tun-yen, the former Minister, who had always been favorable to granting a concession to Americans, had designated Dr. C. C. Wang to carry on the preliminary negotiations; the question of lines, the construction of which might profitably be undertaken, was discussed with him. Upon the assumption of office by H. E. Tsao Ju-lin, he immediately interested himself personally in the negotiations, which after a careful discussion of every point, were brought to a successful conclusion to-day in the form of an exchange of letters between the Ministry of Communications and Mr. Carey, in which the conditions of the definitive contract are laid down and agreed upon.

The main conditions of the contract are as follows: Railway lines aggregating fifteen hundred miles are to be constructed and financed by the American corporation. The principal lines are: (1) from Kwei-Sui in north Shansi, up through the Hwang-Ho valley to Lan-Chow in Kansu; (2) a line connecting a number of important

interior trade marts, between Kai-feng in Honan and Suchow in Anhwei; (3) from Hanchow to Wen-chow in Chekiang Province. It is agreed that should obstacles arise to prevent the construction of these lines, an equal mileage will be assigned elsewhere. The American interests are to furnish the capital necessary for the construction of these lines, providing that not less than \$1,000,000 nor more than \$10,000,000 shall be furnished per annum, according to the state of the market. The construction of the railways is to be carried out under supervision of an American construction company. The American interests are to receive 8 per cent commission on the cost of materials. With respect to the latter, a preference is to be given to Chinese and American materials, provided the price is not higher than that of materials from other sources. When construction is completed, the railways are to be operated under an American engineer in chief, traffic manager, and auditor; and during the life of the bonds, which run for fifty years, the American corporation is to receive participation in the income of the railways to the extent of one-quarter of the net revenue, after a deduction of all charges, expenses, and betterment funds.

The contract constitutes a new departure in the practice of Chinese railway agreements on two very important points. The method of putting the construction in charge of an expert company, which is to receive a commission as its remuneration, has never been used in China, although common elsewhere, and proposed here first by Lord French of the Pauling firm, and then by the representative of the Pearsons. The Chinese have hitherto not admitted that they had anything to gain by employing expert talent in this capacity. The former Minister of Communications, H. E. Chou Tzu-chi, in 1914 had practically accepted the method, when his place was taken by H. E. Liang Tun-yen, who was decidedly opposed to it. Towards the end of his term, he became more ready to discuss the matter. His successor, H. E. Tsao Ju-lin, the present Minister, takes the position that it will be advantageous for the Chinese, not only to engage the best foreign expert knowledge obtainable in the management of railway construction, but he is also in favor of interesting foreign capital more permanently in the welfare of Chinese railway enterprises, by giving them a participating interest, as well as the control of the technical management, in the operation of railways. It is believed, by thus identifying progressive foreign interests with the welfare of a certain railway line, the advantage will extend, not only to the development of the whole region served by the railway, and all its resources and activities. There has hitherto been no such concession policy of developing railway traffic through the introduction of improvements throughout the whole region.

The preliminary agreement also provides that should the method of construction prove more favorable than that hitherto employed on the Chinese railways, and should the method of operation prove more profitable, a grant of a further fifteen hundred miles shall then be made upon the same conditions. The total investment contemplated thus aggregates \$75,000,000 or double the amount if the enterprise is as successful as is anticipated.

The concession offers an unequalled opportunity for the participation of American expertship, energy, and capital in Chinese railway

building. Under the terms of the contract, the American management will actually have a free hand to introduce efficient and scientific means of management, and a real opportunity will be afforded to show what Americans, trained in handling similar problems at home, can do by way of giving China a well managed and efficient railway system.

I have [etc.]

PAUL S. REINSCH

File No. 893.77/1534

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, May 23, 1916.

The Chinese Government has concluded preliminary contract with Carey for finance and construction of 1500 miles railway. Construction commission of 8%; American company also to have control over operation during life of bonds, 50 years, receiving one-fourth net earnings. The agreement is an important departure in Chinese railway practice, indicating readiness to allow foreign capitalists greater share in control and proceeds, thus giving them a more direct continued interest in welfare of enterprise. Carey proceeding to New York.

REINSCH

File No. 893.77/1536

The Acting Secretary of State to the American Group

DEPARTMENT OF STATE,
Washington, June 2, 1916.

GENTLEMEN: Referring to your letter of March 31, 1916, relative to the preliminary agreement signed in October, 1909, between the Viceroy of Manchuria and the Governor of Fengtien on behalf of the Manchurian Administration and the American Group for the construction of a railway from Chinchow to Aigun through Tsitsihar¹⁴ and the possible infringement of the rights of the American Group by a contract recently reported as having been negotiated by China with the Russo-Asiatic Bank, I have to enclose herewith for your information copy of despatch No. 1037 of April 20, 1916, from the American Legation at Peking, with a copy of this last-mentioned loan contract.

In this connection I have to say that the Department was informed on May 5 by the Legation at Peking that the loan agreement above mentioned contemplates the possibility of raising money in the United States for the construction of the road and that Mr. Hugo Bryce, a representative of the Russo-Asiatic Bank, who was then on his way to America, would stop at Petrograd to discuss the matter with the proper authorities there. It is also understood by

¹⁴ For. Rel. 1910, pp. 231-233.

the Department that Mr. Gregory, while *en route* from China to the United States, stopped at Petrograd for the same purpose. The Department would be glad to be informed whether a satisfactory understanding has been reached at Petrograd with reference to the participation of American bankers in furnishing the necessary funds under this contract and whether the American Group desires that any protest be made in its behalf to the Chinese Government.

I am [etc.]

For the Acting Secretary of State:

ALVEY A. ADEE

File No. 893.77/1541

The American Group to the Secretary of State

NEW YORK CITY, June 8, 1916.

DEAR SIR: We are in receipt of your letter of June 2 in which reference is made to ours of March 31, and enclosing a copy of Despatch No. 1037 dated April 20, 1916 from the American Legation at Peking, as well as a copy of the loan contract with the Russo-Asiatic Bank for the construction of a railway from Harbin to Mergen to be known as the Pin-Hei Line.

In reply to the second paragraph of your communication, we advise that we have no knowledge of any negotiations with American bankers with respect to their participation in the financing of this contract, and that our position with respect to our rights under the Chinchow-Aigun Railway agreement remains as stated in our letter of March 31 to the Department. We have no desire to suggest that a protest to the Chinese Government be made at this time on our behalf, and presume that the Department of State will make one if, for reasons of State, the Department should consider it to be necessary or advisable.

Your obedient servants,

THE AMERICAN GROUP,
By J. P. MORGAN AND Co.

File No. 893.77/1548

Minister Reinsch to the Secretary of State

No. 1118

AMERICAN LEGATION,
Peking, June 14, 1916.

SIR: Supplementing my despatches Nos. 1080 and 1082 of May 17 last, and referring to my telegram of June 13, 8 p. m. I have the honor to enclose herewith the translation of a note, dated the 10th instant, with which the Foreign Office transmitted to the Legation a copy of the English text of an agreement and two supplementary agreements, with respect to the construction of certain railways, between the Ministry of Communications and Mr. W. F. Carey, representing the Siems-Carey Company.

I have [etc.]

PAUL S. REINSCH

[Inclosure—Translation]

*The Acting Minister of Foreign Affairs to the American Minister*MINISTRY OF FOREIGN AFFAIRS,
Peking, June 10, 1916.

SIR: We are in receipt of a despatch from the Ministry of Communications to the effect that the said Ministry has made an agreement with Messrs. Siems and Carey with reference to the construction of railways and stating that the said agreement was duly signed by the Minister of Communications and by the representative of Siems and Carey on the 17th of May (1916).

We now have the honor to transmit a copy of the English text of the agreement and of the two supplementary agreements in order that you may inspect the same and put them on record.

A necessary despatch.

SEAL OF THE WAI CHIAO PU

[Subinclosure]

The Minister of Communications to Siems & Carey

PEKING, May 17, 1916.

GENTLEMEN: We herewith acknowledge receipt of your letter bearing date of May 15, 1916, by which, for the purpose of carrying out verbal agreements resulting from negotiations had between us respecting the building of steam railroads in the Republic of China, you have submitted your proposition for our acceptance.

We have given the matter full consideration and in behalf of the Republic of China we hereby accept the same and agree as follows:

1. The Republic of China shall locate, build, and work steam railroads in China, the aggregate of which shall be fifteen hundred (1,500) miles in length. We specially pledge to build said lines between the following points and such intermediate points as may mutually be considered advisable, namely:

From—	Province.	To—	Province.
Hengchowfu.....	Hunan.....	Nanning.....	Kwangsi.
Fengcheng.....	Shansi.....	Ninghsia.....	Kansuh.
Ninghsia.....	Kansuh.....	Lauchowfu.....	Kansuh.
Chungchow.....	Kwangtung.....	Lu Hwei.....	Kwangtung.
Hangchow.....	Chekiang.....	Wenchow.....	Chekiang.

2. If after examination it shall be mutually decided between us that any part of said railroad locations shall not be desirable, such undesirable parts may be abandoned; but in that event the Government of China will then locate and construct an equal amount of mileage of railroads upon other locations within said Republic. The locations of the additional lines to complete the total mileage above stipulated to be decided by mutual agreement between us.

3. The said Republic reserves the right at or before the time of the completion of the above-mentioned 1500 miles of railroad, to choose one expert railroad civil engineer, in which event you shall choose one, and the two thus chosen shall choose a third, to be known as the "Board of Engineers", and said board shall determine whether the work then being done, or theretofore done, is being or has been economically performed, and if the majority of said board shall decide that the work has been and is being done in an economical manner under this agreement as compared with the cost of construction of other Chinese railroads, all things considered, then the said Republic obligates itself to construct an additional 1500 miles of railway within said Republic, to be located by the mutual consent of the parties hereto; and all and singular the provisions of this agreement shall extend and apply to the said additional mileage of railroad in the same manner and to the same effect and purpose as though said additional mileage had been originally made a part of and included in this agreement; with this sole exception,—that the interest rate and discount to be charged upon the bonds to be issued by the said Re-

public for the construction of said additional 1500 miles of railroad shall not be higher than the prevailing interest rate and discount for other Chinese railway bonds at that time.

If the said Republic shall build any extensions or branches of said first mentioned 1500 miles, the same shall be done under and pursuant to the provisions of this contract as though originally included herein, excepting that the mileage thereof shall be reckoned a part of the aforesaid additional 1500 miles and subject to the above exception respecting the interest rate and discount on bonds to be issued therefor.

4. For the purpose of providing the money with which to construct, equip, and operate said railroads the said Republic shall, and it hereby obligates itself to, issue gold bonds, in usual form, in the sum of one million (\$1,000,000.00) Dollars per year in each and every year from the time that this contract shall take effect, as herein provided, until all of said railroads included in or contemplated by this contract shall have been fully completed, equipped and put into practical operation, and you shall obligate yourselves to sell said one million (\$1,000,000.00) Dollars of bonds per year for and during said term pursuant to the provisions of Paragraph 5 of this contract. But if in any year of said period said Republic shall be satisfied with the market value of said bonds as fixed by the quotation of the New York Stock Exchange, for the time being, for Chinese railroad bonds, so that it shall appear to be to the advantage of said Republic to issue additional bonds and increase the activity in building said railroads, then and in any such case said Republic shall issue an additional one million (\$1,000,000.00) Dollars of said bonds for that year, and by mutual consent of the parties hereto said Republic may issue an aggregate of not to exceed ten million (\$10,000,000.00) Dollars of said bonds in any one year of said period and in as many years during the life of this contract as may be mutually agreed upon.

All bonds issued in pursuance hereof shall bear interest at the rate of five (5) per centum per annum, payable semi-annually, and each issue of bonds shall be made payable by their terms fifty (50) years from and after the date thereof.

As to the form of the bonds it is to be agreed upon by the Chinese Government or by the Chinese Minister in Washington and yourselves or your assigns as soon as possible after the signature of this agreement, but if hereafter the money markets in New York or other countries require any modification of the form of the bonds, except in anything that affects the amount of the loan and the liability of the Chinese Government which are not to be touched at all, such slight modifications may be made to meet the views of the markets by you or your assigns in consultation with the Chinese Minister in Washington. Any modifications are to be reported at once by you or your assigns to the Chinese Government.

The bonds are to be engraved entirely in the English language and shall bear a facsimile of the signature of the Minister of Communications and of his seal of office in order to dispense with the necessity of signing them all in person; but the Chinese Minister in Washington shall, previous to the issue of any bonds, put his seal upon each bond with a facsimile of his signature as a proof that the issue and sale of the bonds are duly authorized and binding upon the Chinese Government.

Such bonds are to be numbered consecutively and as many bonds as may be needed are to be properly engraved under the supervision of yourselves or your assigns, and after they are sealed by the Chinese Minister in Washington as heretofore provided they are to be countersigned by you or your assigns.

If any of the bonds herein mentioned are lost or destroyed, a reissue of any thereof is to be made in the amounts respectively called for by such lost or destroyed bonds, but proper proof of the loss or destruction must be given in the usual form to you or your assigns and the Chinese Minister in Washington for examination and record, and the requisite guaranty is to be obtained by you or your assigns from the respective claimants concerned who shall defray all expenses connected with such reissue of bonds lost or destroyed, and who under the said guaranty shall undertake to indemnify the Chinese Government and/or you and your assigns for any loss sustained by reason of the issue of bonds in the place of the bonds lost or destroyed.

No payment of the principal of any such issue of bonds shall be made until after the expiration of twenty-five (25) years from and after the date thereof, and the bonds shall so provide. But payment of principal shall commence on the first day of the twenty-sixth (26th) year from and after the date of issue

and shall thence be made and shall continue to the full maturity thereof at the rate of four (4) per centum of the par value thereof per year, and in each and every year of said principal paying period the said Republic shall pay and retire, by lots in the usual manner, four (4) per centum of the face value of such issue, and the right to pay and retire in that manner shall be reserved and expressed upon the face of all bonds of each and every said issue, and the payment of the principal of each and every issue of said bonds shall be made in that manner.

It is the intention that the principal paying period of each issue of bonds shall not begin to run until the beginning of the twenty-sixth (26th) year from and after the date thereof.

5. The above bonds to be sold by you at the New York Stock Exchange market rate for Chinese railroad securities for the time being, from which you shall be allowed and deducted a banker's or broker's commission of five (5) per centum of the par value of bonds for selling, which shall represent all expenses in connection with the issue of said bonds, such as underwriting, commission and brokerage, telegraph charges, advertising, postage, engraving and printing of prospectus and bonds, stamp and legal fees.

6. You shall have charge of and direct the work of locating, surveying, erecting water tanks and buildings of all kinds, constructing and equipping all railroads included in or contemplated by this contract, and also of buying the materials, rolling stock, machinery, tools, appliances, and equipment and furnishings therefor and installing the same. And you shall be paid for your services therefor a sum equal to five (5) per centum of the aggregate amount of all purchases made in behalf of said railroad, excepting purchases of land for any purpose, in each and every year from the time that this contract shall take effect, until the last of said bonds have been fully paid. The said railroads, and all construction, surveys, locations, equipment, materials, rolling stock, machinery, tools, appliances, installations, commissions, wages, salaries, and everything whatsoever aforesaid, shall be paid from the proceeds of the sales of all of said bonds and said proceeds shall not be used or applied to any other use or purpose nor shall any part or portion thereof; and it is expressly understood that the moneys derived from the sale of all of said bonds shall be deposited and kept in a responsible bank to be mutually designated and agreed upon by us in advance, and the same shall be drawn and paid out from said bank for the uses and purposes herein expressed, and for no other uses or purposes whatsoever.

In purchasing machinery and materials preference shall be given to those of American manufacture when price and quality are at least equal; but whenever it shall be possible to purchase suitable supplies and materials of Chinese manufacture, price and quality being at least equal, the same shall be given preference over those of American or other manufacture.

It is further agreed that the Ministry of Communications shall secure and purchase any and all lands required for rights of way and/or other purposes in connection with the terms of this agreement; that such land purchased shall be paid for from the proceeds of the loan.

7. To secure payment of all of said bonds, issued or to be issued, said Republic shall at the time that the first issue of said bonds shall be made, execute and deliver to you a first trust mortgage upon said entire railroads, built or to be built, together with all rolling stock, equipment, real estate, machinery, buildings, tools, and all of the physical property connected with or appurtenant thereto on hand or to be added, in accordance with the forms of the American law which are customary and usual in such cases to secure payment of said first issue of bonds and of all issues of bonds subsequently issued. The trustee to be selected and chosen by mutual agreement of the parties.

Until said trust mortgage shall be executed in form, the provisions of this agreement in respect to the mortgage are to be construed and treated as of the same purport and effect as a mortgage customarily executed and delivered in the United States to a trustee, for the purpose of securing loans to and bonds issued upon railway properties. It is further agreed that if the financial markets in the United States or elsewhere require the execution of another deed or deeds or mortgage or mortgages at any time for the better protection of the bonds, or require the appointment of another trustee under the American law, you shall discuss the same with the Minister of Communications, who will arrange the same as the exigencies of the case may require. The expense of the appointment of another trustee in such case to be borne by you.

8. The executive head of the railroads shall be a Chinese director general appointed by the Government, who shall be assisted by a chief engineer, who shall have charge of the engineering department; a traffic manager, who shall have charge of the traffic and operating departments; and an auditor, who shall have charge of all matters usually pertaining to that office, and each shall be qualified by practical experience, shall be of approved ability and integrity, shall be chosen, recommended and vouched for by you, and appointed by the director general if he shall approve of the character and qualifications of the person nominated; but if he shall not approve in any case, he shall call upon you for another recommendation for the office. In event the director general shall consider any head of a department above mentioned unfit to act, he shall upon consultation and mutual agreement with you cause his dismissal. It being understood that all of the above heads of departments shall at all times be men recommended by you. And if you shall subsequently discover that the standard of efficiency may be improved by substituting for any appointee another likewise recommended and vouched for, the incumbent shall be removed by the director general and the other substituted as above provided.

On or before the twenty-fifth (25th) day of each month you shall render a lump sum estimate to the director general showing the funds required to meet the expenditures for the ensuing month, and upon approval of the director general, he shall notify the auditor, who shall prepare and turn over to you a check for said amount in your favor.

It is agreed that requisitions for equipment and material shall be submitted to the director general for his information and approval.

It is agreed that all contracts contemplated to be let by you shall be approved by the director general.

It is agreed that any check of twenty-five thousand (\$25,000.00) Dollars or more shall be countersigned by the director general.

It is agreed that any and all emergency expenses which pertain to the work contemplated by this agreement, shall receive the approval of the director general.

It is further agreed that the rules of accounting shall be according to the rules prescribed by the Ministry of Communications.

9. The salaries of all officers shall be fixed by mutual agreement between you and the Minister of Communications of China.

10. Proper and correct books, showing all transactions of income and expenditures in detail and by items, shall always be kept, and both parties shall always have access to and inspection thereof.

11. The time within which work shall commence under this contract, bonds issued and secured, and preliminary organization effected, shall be within six (6) months from and after the date of acceptance hereof unless prevented by extraordinary conditions.

12. The said Republic shall assist you in every way possible in obtaining and acquiring all necessary rights of way, railroad yards, station grounds, sidings, gravel and sand pits, rock quarries, and other necessary concessions.

13. All plans and estimates of construction shall be submitted to the Minister of Communications in advance for his information and approval, and said Republic may employ an inspector or inspectors to inspect all work as it progresses. And when the said railroads shall have been completed, you shall give notice thereof to the Minister of Communications in order that he may send his inspector, or inspectors, to decide whether the work has been done according to specifications.

14. Your said proposal having been executed and submitted in both the Chinese and English languages, each being a true and correct translation of the other and being executed in triplicate in each of said languages, this acceptance thereof shall likewise be executed in the Chinese and English languages, each being a true and correct translation of the other and in triplicate in each language. It is understood and agreed that in the event that difference or dispute shall at any time arise respecting the construction or meaning of either said proposal or this acceptance or any part of either, the English text shall prevail in determining such difference or dispute. One copy of the English and the Chinese text of this agreement shall be held by the Ministry of Communications: one copy of the English and Chinese text by the Ministry of Foreign Affairs and one copy of the English and Chinese text by Siems and Carey.

15. It is understood that your said proposal and this acceptance thereof, shall be construed together and as one instrument, and that all and singular the provisions hereof shall extend and apply not only to you, the signers of said proposition, but to your and each of your heirs, executors, administrators and assignees, who shall be of American nationality.

16. The said proposal and this acceptance thereof are hereby made effective and binding upon the respective parties thereto, and the same shall be and continue in force from now henceforth according to the terms thereof.

17. And it is further agreed that in the event that the parties hereto shall mutually decide that further details are required to more fully and truly express the true intents and purpose hereof, this agreement shall be reformed to include the same.

In witness whereof, the Republic of China has caused this instrument to be signed and executed by its Minister of Communications acting by its authority and in its behalf, this 17th day of the fifth (5th) month of the fifth (5th) year of the Republic of China; being the 17th day of May, 1916.

By (sealed & signed) THE REPUBLIC OF CHINA,
H. E. TSAO JU-LIN,
Its Minister of Communications

The above proposition is accepted by the undersigned in full and detail.

MAY 17TH, 1916.

Witness: Roy S. Anderson

SIEMS & CAREY,
By W. F. CAREY

[Subinclosure 2]

The Minister of Communications to Siems & Carey

PEKING, May 17, 1916.

GENTLEMEN: I have the honor to acknowledge receipt of your written communication, bearing date on this day, submitted by you as a supplement to be considered and construed to be a part of your proposition to the Republic of China, likewise dated on this day, respecting the building of steam railroads in said Republic, as fully to all intents and purposes as though set forth at length in your said original proposition.

We have given the same full consideration, and in behalf of said Republic of China, I now, in my capacity of Minister of Communications of the Republic of China and by authority and in behalf of said Republic, hereby accept the same and agree as follows:

In addition to the payment to you by said Republic of a sum equal to five (5) per centum of the aggregate amount of all purchases made in behalf of said railroads (excepting purchases of land for any purpose) in said proposition stipulated for your services therein mentioned, said Republic shall also pay to you a sum equal to eight (8) per centum of the aggregate amount of all other moneys expended for the construction of all of said railroads. As soon as any section thereof shall have been fully completed and put into commercial operation, then said eight (8) per centum shall cease upon such completed sections that are being commercially operated. Settlements and payments for both the five (5) per centum and the eight (8) per centum aforesaid, to be made at the end of each six (6) months from the date of the beginning of said work. And further, for handling and selling said bonds as in said proposition provided, as well as for the said services by you to be performed, twenty-five (25) per centum of the net profits derived from operating said railways, after paying all maintenance, operating and bond charges shall be paid yearly to you at the end of each fiscal year up to the time of the payment of the last of said bonds, when all your rights shall cease and this contract shall terminate. By the term "bond charges" as above used, is meant the semi-annual interest on each issue of bonds during the first twenty-five (25) years from and after their date (during which time no payments of principal shall be made) and the semi-annual interest and four (4) per centum of the principal of each said issue to be paid in each and every year of the last twenty-five (25) years of the period for which said bonds are to run.

It is further agreed that before any division of net profits shall be made in any year as herein provided, there shall be reserved and set aside out of the said annual net profits, a sum equal to five (5) per centum of said an-

nual net profits for a replacement fund, and a separate fund shall always be maintained for that purpose; it is understood, however, that if at any time said replacement fund shall have accumulated a sum in excess of the actual and reasonable requirements of said fund, such excess, by our mutual consent, shall be divided between us, you to receive twenty-five (25) per centum thereof as above provided.

It is further agreed that no commission whatsoever shall be paid to you upon the salaries of any officer mentioned in this agreement.

Respectively yours,

REPUBLIC OF CHINA,
By (sealed and signed) TSAO JU-LIN,
Its Minister of Communications.

The above proposition is accepted in full and in detail by the undersigned.

SIEMS & CAREY,
By W. F. CAREY

May 17, 1916.

Witness: ROY S. ANDERSON

[Subinclosure 3]

Supplementary Agreement

This Supplementary Agreement is to be considered and construed to be a part of the proposition agreed to between the authorised representative of the Republic of China in the person of the Minister of Communications and Siems and Carey represented in the person of William Francis Carey, respecting the building of steam railroads in said Republic, bearing date on the day of the date hereof, as fully to all intents and purposes as though set forth at length therein, and is as follows:

It is mutually agreed that all interest charges to be paid during the construction of any specified line shall be paid for from the proceeds of the loan.

It is mutually agreed that there shall be paid no eight (8) per centum or five (5) per centum commissions upon the interest payments paid for out of the proceeds of the loan during the time of construction or at any other time.

It is mutually agreed that there shall be no commission charged upon the money expended for the purchase of land.

It is mutually agreed that inspection fees and incidental expenses connected with purchases which are not made upon the condition that such purchases shall be subject to inspection upon delivery in China shall be borne by Siems and Carey.

It is further agreed that in time of war in China, said railroads and all employees thereof shall be subject to the rules of martial law and that said railroads shall receive half rates from the transportation of troops, munitions of war and all commissaries for war purposes.

It is further agreed that the railroads shall transport Government troops at half rates during times of peace or war.

In witness whereof, the Republic of China has caused this instrument to be signed and executed by its Minister of Communications acting by its authority and in its behalf, this 17th day of the fifth month of the fifth year of the Republic of China, being the 17th day of May, 1916.

REPUBLIC OF CHINA,
By (sealed and signed) TSAO JU-LIN,
Its Minister of Communications
SIEMS & CAREY.
By (signed) W. F. CAREY

Witness: ROY S. ANDERSON

File No. 893.77/1552

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, August 10, 1916.

Acting Minister for Foreign Affairs has informed me that the Russian Minister called upon him day before yesterday and inquired

about reported American railway concession, stating that any thereof located outside of the Great Wall would contravene a letter given by the Chinese Government to the effect that Russia was to have the first option on such lines. Minister for Foreign Affairs stated that he knew of no such letter except the one relating to railways north and northeast of Peking, but that he would look up the matter.

REINSCH

File No. 893.77/1552

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, August 12, 1916.

Your telegram of August 10. Take measures to safeguard American interests concerned. Endeavor to obtain text of agreements mentioned.

LANSING

File No. 893.77/1553

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, August 23, 1916.

Your August 12. Minister for Foreign Affairs privately informs me that no agreement exists giving Russia preference in region affected, but the Russian Minister insisted that his predecessor had once stated to the Chinese Minister for Foreign Affairs that Russia claimed such preference north of the Great Wall, and that as the Chinese Government had not refused in terms, its silence was to be taken as consent—a pretension which the Chinese Minister for Foreign Affairs does not admit.

Though the Chinese Government is not at present inclined to give attention to the reasoning of the Russian Minister, it appears advisable to hold in reserve a protest against the new Russian railway concession.

REINSCH

File No. 893.77/1553

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE.
Washington, August 24, 1916.

Your August 23 and Department's No. 419. In your discretion whenever advisable call attention of Chinese Government to agreement with American Group ratified January 20, 1910, and statements of Group that their rights never formally relinquished.

LANSING

File No. 893.77/1557

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Peking, October 19, 1916.

Russian Minister informed me today that he had been definitively instructed to lodge a protest with the Chinese Government against the grant of the Fengchen (in Shansi) to Ninghsia (in Kansu) railway concession to Americans. The protest is based on an exchange of notes in 1899 between the Chinese Government and the Russian Legation relating to any railway connecting Peking with the Siberian Railway. On June 1 [1899] the Chinese Government wrote a note, copy of which is included in Legation's No. 1386 of March 4, 1910,¹⁸ in which the Chinese Government promises not to employ foreign non-Russian capital in any railway to be built from Peking to the north or northeast toward the Russian frontier. On June 17, 1899, the Russian Minister acknowledged this note but referred to any railway to the northeast or north of Peking or any other direction. Russian Legation relies on this latter statement. The Chinese Government maintains that it can be bound only by the language in the note from the Foreign Office; that the whole correspondence relates to railways from Peking to the Russian frontier; that it cannot therefore be applied to a railway which runs southwestward from Peking, away from Russian territory; and that the latter is not a part of the Peking-Kalgan railway, which will be continued northward by the Chinese themselves.

In the conversation the Russian Minister stated to me that his Government is opposed to Chinese colonization in any part of Mongolia, but it is not apparent how development of the upper Hoangho region—largely through intensive irrigation farming—could start migration dangerous to Russia.

The fact that, in the course of the negotiations for the Chinchow-Aigun Railway, in February, 1910, the Russian Government informed the American Government only of the note of June 1, 1899, as the basis of its railway rights to the north of Peking, would indicate that it did not then rely on the note of June 17.

As the Russian Government in February, 1910,¹⁹ proposed to the Chinese Government that in lieu of the Manchurian railway the American capitalists should be given the Kalgan-Urga concession, it would appear that the Russian Government had admitted that it must assist in compensating America for exclusion from the North Manchurian Railway, and that we now could claim Russian support with respect to not only the proposed railway but the Kalgan Railway itself.

The Chinese Government has appointed a director for the proposed railway, and engineers will immediately begin the preliminary survey which will determine whether the line is likely to be commercially profitable.

REINSCH

¹⁸ For. Rel. 1910, pp. 263-264.¹⁹ For. Rel. 1910, p. 261.

File No. 893.77/1559

American International Corporation to the Secretary of State

NEW YORK, October 23, 1916.

DEAR SIR: We have the honor to acknowledge receipt of the Department's letter dated October 21,² with which you transmitted for our confidential information a paraphrase of a telegram dated October 19, 1916, from the American Minister at Peking, relative to the protest lodged with the Chinese Government by the Russian Minister at Peking, against the granting of the Fengcheng-Ninghsia concession to Americans.

We have read the Department's inclosure with interest, and beg to call the Department's attention to the fact that the contract recently entered into with the Chinese Government by the American International Corporation and the Siems-Carey Railway and Canal Company covers the construction of 1100 miles of railway in China. We do not hold a concession for the construction of the railroad from Fengcheng to Ninghsia, although the contract above referred to specifically mentions this line, together with two others, as roads which the Chinese Government desires to construct in making up the total of 1100 miles of railroad provided for in the contract.

Our agreement stipulates that in case, after investigation, the construction of the railroads specifically mentioned therein should not be found feasible, other lines giving an equivalent total mileage shall be selected.

As far as the American International Corporation is concerned, we do not wish to become involved in political controversies between the Chinese and Russian Governments.

We have no further comments or recommendations to make to the Department at this time.

Thanking you [etc.]

CHARLES G. STONE, *President*

File No. 893.77/1560

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Peking, October 26, 1916.

My telegram of October 19. Carey informs me that the International Corporation has suggested to him not to proceed with Fengcheng railway preliminary survey until the Russian protest is cleared up. Such deference to an unsubstantiated claim would endanger the rights of Americans to do business in China. It would seem essential that Russia be held to the letter of any concessions made, and not be allowed to claim exclusive sphere of action north of the Great Wall, because otherwise other Powers would be encouraged to treat as exclusive spheres regions in which they have specific concessions, and under such a broad interpretation Americans would stand excluded everywhere. It would also seem that on account of the financial support accorded to Russia, American capital would be

² Not printed.

in a particularly strong position to prevent action hostile to America and not in accord with the duty of Russia to facilitate compensation for the exclusion of American railway enterprise from Manchuria, even to the extent of allowing Americans to construct Kalgan Railway itself as suggested by the Russian Government in 1910.

The question is one between Russia and China. The Chinese Government feels entirely sure of its ground in this matter. The Minister of Communications today informed Carey and Chinese Secretary of Legation that his Government assumes responsibility, and he intimated that it would feel its rights compromised by a withdrawal or hesitation on the part of the American International Corporation; and he expressed apprehension lest demonstration of timidity would invite protest by other nations against all other proposed American railway lines.

It is desirable that the preliminary survey should proceed in order that commercial soundness of the project may first be determined.

REINSCH

File No. 893.77/1569

Minister Reinsch to the Secretary of State

No. 1244

AMERICAN LEGATION,
Peking, October 27, 1916.

SIR: In continuation of my despatches Nos. 1082 and 1118, of May 17 and June 14, respectively, I have the honor to report further concerning the agreement between the Chinese Government and the American firm of Siems-Carey Company for the construction of railways. I am herewith transmitting a copy of the original agreement, with annexes, signed May 17 last,²⁰ as well as a copy of the supplementary agreement, signed on the 29th ultimo. The conclusion of the original contract was formally notified to the Legation, on June 10 last, through the Foreign Office.

There is also enclosed a translation of the mandate, issued on the 20th instant, by which the President gives his approval to the supplementary agreement of September 29.

While the contract had been completed and formally sanctioned, as well as notified to the Legation by June 10, when the last Cabinet under President Yuan Shih-kai was still in existence, the changes in the political situation consequent upon the death of President Yuan rendered it questionable whether the contract would be executed promptly and without considerable opposition. While his excellency Tsao Ju-lin was still holding office as Minister of Communications and Acting Minister for Foreign Affairs, the American International Corporation, acting as the partners of Siems-Carey Company in this matter, undertook to finance the contract and to make a preliminary advance of G\$500,000. The subsequent acceptance of this advance by the Minister of Communications, made at a time when the complexion of the Cabinet had already changed, marked the acceptance of the contract by the first Cabinet of President Li Yuang-hung. While the contract was considered absolutely

²⁰ Printed *ante*, p. 183.

binding with its communication to the Legation by the Foreign Office on June 10, nevertheless the question of its execution had been taken up by the new Cabinet, of which his excellency General Tuan Chi-jui was Premier and in which his excellency Dr. Chen Chin-tao filled the position of Minister of Finance. During this transition period and subsequently, the good will borne towards American interests by both of these high officials counted for a great deal in bringing about the rapid conclusion of the supplementary arrangements necessary for the smooth execution of the contract.

On June 30 the appointment was announced of his excellency Hsu Shih-ying, as Minister of Communications, in place of his excellency Tsao Ju-lin. The Cabinet had now been more radically constituted through the entry of Messrs. Sung Hung-yi, Ku Chung-hsiu, and Chang Yao-tseng. The attitude which these new men would take towards the execution of the contract was uncertain; the new Minister of Communications, however, showed himself friendly from the start. He stated that in order to assure the smooth working of the contract, he would, acting under Article 17 of the original Agreement, suggest certain modifications. In three interviews with the American Minister in July and August—particularly in the interview of August 22—the Minister of Communications admitted that the contract was complete and binding in its form at the time; but he took the ground that obstruction would be avoided and smooth working assured if certain concessions were made. The chief concessions asked for by the Minister of Communications were the reduction of mileage of the first allotment from fifteen hundred to eleven hundred miles, and reduction of the percentage of participation of the company in the revenues of the railway from twenty-five to twenty per cent. After negotiations extending through the months of August and September, the supplementary agreement of September 29 was concluded in which the concessions asked for were made by the American company, and by which certain matters relating to the financial operations and to the appointment of officials were settled to the satisfaction of both parties.

An agreement had been reached by September 21, at which time I directed to the Minister of Communications a note, of which a copy is herewith enclosed.

There had been some discussion as to whether the contract would have to be submitted to Parliament for its approval. On this point the Legation took the position that as the contract had in its original form being entirely completed before the reconvoation of Parliament, it could not be singled out from all the treaties and agreements, more than sixty in number, concluded without the consent of Parliament since the formation of the Republic. A list of these treaties, contracts, etc., is forwarded with my No. 1243 of today's date to the Department.²

While there were some voices in the Cabinet which demanded a submission of the contract to Parliament, ministers like General Tuan Chi-jui and Dr. Chen Chin-tao took the positive ground that such a submission could not be made without bringing before Parliament the question of all contracts made before its reconvoation.

² Not printed.

The contract was therefore not submitted to Parliament, the Minister of Communications only holding himself ready to answer questions in respect to it should they be asked. Parliament having been very busy with questions of internal politics and with such matters as the Japanese inroads in Manchuria, and the forced extension of the French settlement in Tientsin, the contract has thus far not been mentioned in Parliament.

With respect to the approval of His Excellency the President, the Minister of Communications stated to me that he had requested this in order that there might be no doubt of the active approval by the President of an agreement originally made in the time of his predecessor.

While the negotiations for this contract were beset with perhaps unequalled difficulties from the beginning, on account of the disturbed and shifting political situation, the details of the matter were handled with great ability by Mr. Roy S. Anderson, the representative of the Siems-Carey Company, under the personal direction of Mr. W. F. Carey himself, who impressed the Chinese particularly with his sense of justice and fair play. It is the object of Mr. Carey to create an American enterprise which will take advantage of American methods and experience in solving problems of construction, development and management, similar to those which have been encountered in America. It is not his idea to aim purely for construction profits, but to create an undertaking which in all its parts will be permanently successful. He was therefore willing to stake the second allotment of fifteen hundred miles upon the success of the first alignment. Mr. Carey acts on the principle that in enterprises of this importance, everything depends upon the efficiency of the human organization created; he has therefore spared neither pains nor expense to gather in the United States a group of construction and railway experts of the highest order, who are to carry out this work. The general manager for Siems-Carey Company is Mr. Frederick C. Hitchcock, formerly of Messrs. McArthur Brothers and Company.

With respect to the alignments of railway agreed upon, they do not, of course, equal in attractiveness such great trunk lines as the Peking-Hankow Railway and the Shanghai-Nanking Railway. When all the mileage already assigned to Great Britain, France, Germany, Belgium, etc., on which construction is now indefinitely postponed on account of the war, is considered, it may seem as though only lines of decidedly minor attractiveness could be left. This would indeed be true should the nations to whom concessions have been made be permitted to claim very broad rights of excluding other railway enterprises in the same general regions where their concessions are. It may be necessary at this point to establish a criterion as to what shall be considered undue paralleling of a railway such as could be justly objected to by a country to whom the prior concession has been made.

In connection with the above matter, the character of the American enterprise is of much importance; it must be remembered that the sole security of the American company is the railway itself—no additional securities have been assigned; moreover, as pointed out above, the enterprise is not confined to construction, but includes

a share in the operation and management after the lines are completed. For these reasons, the American company will not consider building a railway which is not commercially sufficiently promising to afford both adequate security and assurance of profitable operation. These facts are in themselves a sufficient safeguard against a duplicating of the existing or ceded lines, which might be undertaken if the American corporation were assured of construction profits wherever, no matter where, the lines might be built. Should, therefore, protests be made on the ground of duplication, it would appear to be just and sound to take the position that the commercial prospects of any given line should control.

Returning now to the alignments enumerated in the agreement, no doubt is entertained here concerning the importance and the profitability of the railway from Hengchow (Hunan) to Nanning (Kwangsi). With respect, however, to the other railways, the question of commercial soundness can be determined only through preliminary surveys, which are presently to be undertaken. Other lines are under consideration for substitution should, upon due investigation, it appear inadvisable to proceed with the construction of any of the lines enumerated.

The conclusion of so favorable a contract at this time, without obstruction or delay, is eloquent evidence of the good will which the Chinese people and officials bear toward American enterprise. Aside from the high officials mentioned above, among whom his excellency Tsao Ju-lin showed special readiness to take responsibility for advanced action, all the minor officials who were concerned in the negotiations showed a friendly and helpful spirit. This is true particularly of Mr. Chuan Liang, counsellor, and Mr. Jen Chuan-pang, confidential secretary, in the Ministry of Communications.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1]

Minister Reinsch to the Minister of Communications

AMERICAN LEGATION,
Peking, September 21, 1916.

EXCELLENCY: I have been informed by Messrs. Siems, Carey and Company that this corporation has accepted the modifications which were suggested by your excellency to be made in the contract signed between the Chinese Government and the said corporation on May 17, 1916, and communicated to me by the Ministry of Foreign Affairs on June 10 last.

I am gratified that the American corporation has found it possible to make this arrangement as desired by your excellency, in the spirit of fostering the most complete cooperation between your excellency's Government and the parties to the contract.

It is also gratifying that now the work on this important enterprise will be immediately commenced, according to the assurances given to me by your excellency personally.

I avail [etc.]

PAUL S. REINSCH

[Inclosure 2]

Supplementary Agreement

This supplementary agreement is made according to Article Seventeen (17) of the original agreement, signed May 17th, 1916, between the Government of the Republic of China, represented by its Minister of Communications, and

Siems and Carey, represented by Mr. William F. Carey, and it is hereby agreed as follows:—

1.—Article One (1) of said agreement which provides that fifteen hundred (1500) miles of railway be constructed shall be amended so that wherever said mileage appears as fifteen hundred (1500) miles, it shall be eleven hundred (1100) miles.

2.—In the second article of the supplement to said agreement addressed to the Minister of Communications of the Republic of China dated May 17th, 1916, and also in any other part of said agreement or its supplement where the percentum of the net profits derived from operation of said railways to be paid for handling bonds is fixed at twenty-five (25) percentum, the same shall be amended and reduced to twenty (20) percentum.

3.—The first paragraph of Article Four (4) of the original agreement, shall be modified and reformed to read as follows:

So soon as the Government of the Republic of China and Siems and Carey, or their assigns, shall have determined any line that shall be first constructed, estimates of the cost of constructing and equipping such line shall be agreed upon between them and the Government, and gold bonds of the amounts required by such estimates shall be issued. As soon as the authority to issue such bonds is given by the Government of the Republic of China, Siems and Carey, or their appointees or assigns, on behalf of and as agents for the Government of the Republic of China in this matter, shall issue such bonds as hereinafter provided, such issue to be either en bloc or in series as may be mutually agreed upon.

The same procedure shall be likewise followed as to the issuance of bonds to provide funds for the construction of all other lines which it shall be mutually determined to build. The Government of the Republic of China and Siems and Carey, or their appointees or assigns, as its agent, will at the time of the first issue and of every other issue, enter into such necessary further and supplementary stipulations and agreements regarding the character and issuance of such bonds and also the deposit and transfer of the loan proceeds as the exigencies of the financial situation may at the time require for the proper economical and successful flotation of the bonds.

Such bonds or other obligations hereinafter provided for shall be issued at such time, and in such amounts as will insure the continuous economical construction of the railways until the same are completed.

4.—To the article numbered five (5) of the original agreement shall be added the following amendments:

The bonds provided for in article numbered four (4) hereof shall be issued by Siems and Carey, or their appointees or assigns, for and in behalf of, and as agent for the Government of the Republic of China at a price to be fixed by said agent upon consultation with the duly authorized representative of the Republic of China, and said Siems and Carey shall use their best efforts to have said bonds sold for the highest possible price.

When the construction and equipment of a line of railroad has been determined upon, and the estimates covering such construction and equipment have been agreed to as hereinbefore provided, said agent in consultation with the duly authorized representative of the Government of the Republic of China, shall decide what is the most favorable moment for the issue of the bonds, and the duly authorized representative of the Government of the Republic of China shall give the necessary instructions to the Chinese Minister in Washington. If at such time so determined the issue of such bonds on the terms named herein or agreed upon would be impossible, then in such case the Government of the Republic of China and said agent shall agree upon a mutually satisfactory plan of temporary financing through the issue of Chinese Government 5-year Treasury bills at the rate of interest and discount to be agreed upon. Such notes shall be repaid from the proceeds of the sale of bonds to be issued, when the conditions for the sale of Chinese long-term obligations shall have sufficiently improved, such long-term obligations to be issued under an agreement to be negotiated at the time.

If, however, subsequent to an agreement having been reached, it issue bonds hereunder before the publication of the prospectus for such issue, or of any series thereof, any political or financial crisis should arise affecting the money markets or the prices of Chinese Government securities so as to render impossible, in the opinion of the agent, the successful issue of the bonds at the time agreed upon, then the said agent upon consultation with the Chinese Govern-

ment respecting the period of time, shall be granted a reasonable extension for the performance of its contract. If within the time limit to be arranged, the issue of Chinese bonds on the conditions hereinbefore set forth should be impossible, then the Government of the Republic of China and its said agent, shall agree on a mutually satisfactory plan for temporary financing to provide as far as possible for the uninterrupted continuance of construction.

5.—After the first paragraph of article numbered eight (8) of the original agreement the following paragraph shall be inserted:

Of the three (3) officers, the engineer-in-chief shall be appointed immediately, the auditor as soon as required, and the traffic manager when required for operation. Their terms of office shall be during the life of the loans. With regard to the employment of all other officers, the number of them, the scale of their salaries, and the method of appointment, the director general or managing director shall in consultation and mutual agreement with said three heads of department respectively decide upon a plan. Which plan shall be followed.

The director general or managing director shall reserve the right to employ his own office staff.

6.—The Government of the Republic of China undertakes during the life of the bonds to be issued hereunder to treat the railways contemplated under this agreement in the same spirit of fairness in which all other Chinese Government railways are treated.

7.—All bonds and coupons and all payments made and received in connection with the service of any and all bonds issued hereunder, shall be exempt from all Chinese taxes and imposts of whatsoever nature during the life of said bonds or of any of them.

8.—All of the uniform laws, by-laws, rules and regulations applicable to all Government railways in China promulgated by the Ministry of Communications, shall be observed by the railways built under this agreement.

9.—The rights and duties of the Government of the Republic of China and of Siems and Carey, their appointees or assigns, shall be effective upon the day on which the agreement and all supplementary agreements are contracted and until complete redemption of all bonds.

10.—After any line of railway has been agreed upon the survey thereof will be immediately made. All necessary expenses thereof will be paid out of the advancement already made. If after the survey is completed neither the bonds can be issued hereunder, nor funds for temporary financing according to this supplemental agreement are available within one (1) year, the contract may be cancelled. In that event said advancement shall be repaid with interest stipulated, unpaid up to that time, by the Government of the Republic of China, before cancellation thereof.

Signed and sealed at Peking by the contracting parties this twenty-ninth day of the ninth month of the fifth year of the Republic of China, being the twenty-ninth day of September, 1916, western calendar.

THE GOVERNMENT OF THE REPUBLIC OF CHINA,
By _____, *Its Minister of Communication*
SIEMS AND CAREY,
By _____, *One of the Partners*

Witnesses:

[Inclosure 3]

Presidential Mandate, Published in the Official Gazette, Sunday, October 22, 1916.

Hsu Shih-ying, the Minister of Communications, reports that he has made an agreement with American merchants for the construction of railways. In accordance with the terms of Article 17, certain additions have now been made. Also a supplementary agreement has been submitted for approval.

The agreement which has been entered into is approved and action should be taken in accordance therewith. Let the Ministry concerned notify the Ministry of Foreign Affairs and the Ministry of Finance.

SEAL OF THE PRESIDENT

Issued October 20, 1916

106413°—F R 1916—18

File No. 893.77/1561

The American International Corporation to the Secretary of State

NEW YORK, October 30, 1916.

SIR: We have the honor to acknowledge receipt of the Department's letter of the 27th of October,² transmitting for our confidential information paraphrase of a telegram dated October 26, from the American Minister at Peking, relative to the construction of the railway from Fengchen to Hangchow.

We note that in the Department's letter under acknowledgement you refer to the Fengchen railway concession. We beg to point out that, as stated in our letter to the Department dated October 23, the American International Corporation does not regard its rights under the contract for railway construction, recently concluded with the Chinese Government, as constituting a concession to build the particular line in question.

We have carefully read the paraphrase of the American Minister's telegram, and have noted with interest the views expressed by Doctor Reinsch. In this connection we have the honor to state that we consider that the validity of the Russian Government's objection to the construction of the road in question must be settled between the Chinese and the Russian Governments, before the American International Corporation is prepared to proceed further with regard to this line.

For the Department's information we beg to state that we have instructed our representative in Peking not to proceed with the examination of the road in question at the present time.

We have [etc.]

WILLARD STRAIGHT,
Vice President

File No. 893.77/1563

Department Memorandum

[Extract]

DIVISION OF FAR EASTERN AFFAIRS,
October 31, 1916.

In 1899 (April 28) Russia and Great Britain exchanged notes pledging Great Britain not to seek railway concessions outside the Great Wall and not to obstruct Russian railway enterprise there, and binding Russia similarly with respect to British railway construction in the Yangtze Valley. China was notified of the agreement.

On June 1, 1899, Russia received assurances from China that in building railways north or northeast of Peking, if foreign capital should be found necessary, application would be made to Russia, and that China would not employ capital of other foreign nationality. In acknowledging this note, on June 17, the Russian Minister enlarged the pledge, making it read "north and northeast of Peking or in any other direction." This was without authority, but China does not appear to have corrected it.

² Not printed.

In 1910 Americans and British subjects were parties to an agreement with China to build a line from Chinchow to Aigun in Manchuria. The Russians objected and quoted the pledge of China of June, 1899, but only as referring to lines north or northeast of Peking.

At the same time the Russian Government, in the memorandum of February 24, 1910,¹⁹ handed to the Secretary of State by the Russian Ambassador in Washington, suggested as an alternative the building of a line from Kalgán across Mongolia to Urga and Kiakh-ta. This line would run northwestward from Peking. The line now (1916) proposed, while starting from a point northwest of Peking, runs to a place considerably southwest of Peking.

File No. 893.77/1570

Minister Reinsch to the Secretary of State

No. 1252

AMERICAN LEGATION,
Peking, October 31, 1916.

SIR: I have the honor to report concerning the protest made by the Russian Minister, Prince Koudacheff, against the construction, with the aid of American engineers and capital, of a railway line from Fengchen to Ninghsia, as reported in my telegrams of October 19 and 26.

While the Russian Minister had several conversations with the Chinese Foreign Office on various dates in August and September, he did not mention the matter of the railway to me until October 16, upon the occasion of a call which I made at the Russian Legation. Prince Koudacheff stated that he had for some time desired to speak quite frankly to me regarding the proposed railway. He stated that he had received instructions from his Government to make preliminary inquiries and to call attention to existing rights of the Russian Government, but that he was at the time awaiting for instructions as to whether to make a formal protest.

Prince Koudacheff expressed himself very fully and frankly in explanation of the Russian policy to treat Mongolia as a natural barrier against Chinese colonization movements in the direction of the Russian dominions. He stated that the *status quo* in Mongolia, by which is meant the permanence of that country in a pastoral state with sparse population, was essential to the feeling of security of his country; therefore, his Government could not look with indifference upon any enterprise which would induce the development of Chinese colonization northward in Mongolia. He stated that these considerations constituted the background of the Russian policy of trying to exclude foreign capital from railways in the region affected.

The Russian Minister thereupon spoke of the exchange of notes effected between the Chinese and the Russian Government in 1899, concerning railways northward from Peking, the net result of which, he stated, was interpreted by his Government as giving them a right

¹⁹ For. Rel. 1910, p. 261.

to insist that no foreign capital shall be employed on any railway line in this region.

I stated to Prince Koudacheff that the American interests had always been careful to respect the known treaty rights of the Russian Government in this region. Though at various times approached by the Chinese with a proposal to assist in direct or indirect ways in the construction of the Kalgan-Urga Railway, Americans had always declined to do so. I stated that I was not fully informed as to the correspondence which had passed between the Russian and Chinese Governments on these matters, as represented by the Minister, but that our information did not extend beyond the fact that the Russian Government had the promise that no foreign capital should be employed in railways proceeding from Peking to the north or to the northeast towards the Russian border.

As to the railway in question, I stated that it appeared to me that it infringed neither the specifically granted rights of Russia, nor even the general policy of Russia with respect to Mongolia, as explained by Prince Koudacheff, implying that as to the rights of other nations, such a general policy could become effective only if reduced to specific conventional form. The line in question does not pass northward from Peking towards the Russian border, but passes in a westerly direction to a Chinese interior province. As to the matter of colonization, I pointed out that natural limits had been set to such a movement, as it was only the immediate banks of the Huang Ho (Yellow River) that would attract agricultural colonists because there alone water was available for intensive cultivation. In the nature of things, this could not be the starting point for a series of waves of colonization northward, because the region to the north of the Huang Ho is permanently arid and suitable only for grazing over wide areas; it could therefore not become a field for agricultural colonization or an area of appreciably denser population than it supports now.

The whole matter was discussed between the Russian Minister and myself in the spirit of greatest frankness and friendliness, without argumentation; he stated that his action was naturally entirely dependent upon the view which his Government would take and upon its impending instructions.

I saw Prince Koudacheff again on October 19, when he immediately informed me that he had now received definitive instructions to lodge with the Chinese Government a protest against the Fengchen-Ninghsia line. I stated to him that since our last interview, I had examined the documents which had been mentioned by him and that I felt more strongly than ever that Americans were not infringing upon any Russian rights: I based this opinion upon the fact that in all the documents in question the term, "towards the Russian border" is used. The proposed railway could not be considered a prolongation of the Kalgan Railway, because the Chinese are proposing themselves, with their own means, to extend the Kalgan Railway northward, with Urga as its eventual terminal; nor could the railway be considered a branch line, because it was to be given an entirely distinct management and, while connecting with the Kalgan Railway, would operate independently in connecting Kansu with northern Shansi. I also stated that a preliminary survey would probably be made without delay for the purpose of determining the

commercial prospects of the line, the construction of which would of course not be undertaken unless its commercial soundness were assured. The Minister appeared to take the making of the preliminary survey as a matter of course, but stated, smiling, "We may still hope that it may not be commercially profitable."

I did not mention to the Russian Minister the fact that I considered that the Russian Government, through its proposal made in the year 1910 that the Kalgan Railway should be assigned to American capitalists as a reparation for the fact of American railway enterprise being excluded from northern Manchuria, contained an admission that the Russian Government felt under obligation to facilitate such compensation to American interests, and that the Russian Government had itself indicated that the Kalgan Railway should be used to compensate American setbacks. For this reason, it would appear that objection to a railway far more remotely, if at all, connected with Russian political interests, would not be fair play.

In the course of both of the above interviews, Prince Koudacheff spoke of a suggestion, which he had understood from an expression used in a conversation with him by Mr. Carey, that the latter would be very glad to build railways for the Russian Government, as well as for the Chinese. The Russian Minister understood this as an intimation of a desire to cooperate with Russia on this line, although it was not made in this sense by Mr. Carey. Prince Koudacheff was very favorable to this suggestion, and said that he hoped that such a plan would appeal to his Government. In the second conversation, however, he stated that his Government did not desire to entertain any proposal for cooperation, because it was opposed in principle to the building of the line.

I have the honor to enclose herewith copies of the following documents and reports:

Note from Tsungli Yamen (Chinese Foreign Office) to the Russian Legation, June 1, 1899.

Note from Russian Minister to the Tsungli Yamen, June 17, 1899.

Note from Russian Minister to the Tsungli Yamen, December 10, 1899.

Note from Tsungli Yamen to the Russian Legation, December 14, 1899.

Memorandum presented by the Russian Minister to the Wai Wu Pu (Chinese Foreign Office), during February or March, 1910.

Account of two interviews between the Russian Minister and the Acting Minister for Foreign Affairs, on August 7 and 16, respectively, 1916.²

Account of an interview between Mr. Wang Ting-chang, of the Chinese Foreign Office, and the Russian Minister, on August 17, 1916.²

Memorandum addressed by the Chinese Foreign Office to the Russian Minister under date of October 7, 1916.²

The following points seem to the Legation to be established through the correspondence between the Chinese and the Russian Governments, and the circumstances attendant thereon:

1st: The correspondence of 1899 arose out of a desire of the Russian Government to prevent a railway being built by non-Russian capital

² Not printed.

from Peking to the north, towards the Russian border, which would tap the region served by the Siberian Railway. Considerations of the control of communications, and not the question of colonization, inspired the action of the Russian Government at this time.

2d: In 1899, the Chinese Government quite distinctly stated that the agreement arrived at referred to railways built to the north and northeast of Peking toward the Russian frontier.

3d: Though in the Russian Legation's answer of June 17, 1899, the phrase, "no matter in what direction" is inserted, it is subsidiary to the determination made in the note of the Chinese Foreign Office which is repeated; namely, "from Peking to the north or to the northeast towards the Russian border, no matter in what direction." "No matter in what direction" can therefore only refer to incidental and local changes in the direction of the course of railways leading from Peking northward to the Russian border.

4th: In 1910, when the Russian Government was vetoing the activity of American railway enterprise in northern Manchuria, it recognized both to the Chinese Government and to the American Government its moral obligation to assist in offering a reparation for such a limiting of the sphere for legitimate American enterprise through advancing the suggestion that the railway from Kalgan to the north, the very line to which the correspondence of 1899 mainly related, should be turned over to American enterprise.¹⁹

5th: By this action, the Russian Government admitted, eleven years after the correspondence of 1899, that the interests to be safeguarded by that correspondence permitted of the construction of a through line from Kalgan to Urga with the assistance of American capital.

6th: The railway from Ningshia to Fengchen could be considered a branch of the Kalgan Railway only, under any accepted use of the term, if it were to be placed under the same management and run as a subsidiary part of that railway line. This is manifestly not the case. The railway neither proceeds towards the Russian boundary nor can it be justly considered a branch of the Kalgan Railway; it cannot therefore be regarded as embraced in the promises contained in the correspondence of 1899.

7th: The Russian protest could be upheld only if it were to be admitted by the Chinese Government that Russia had been given a general and exclusive preference in all railway enterprises north of the Great Wall. It is not admissible that so broad a construction, so inimical to the rights of China and to the rights of American enterprise, should be founded upon language so specific as that contained in the correspondence of 1899.

This matter is not one that concerns the grantees of the present contract alone; even should they be so disposed, it is not in their power to waive rights which belong to American enterprise in general. To admit that American enterprise can be excluded through one-sided interpretations, and through vague deductions, rather than through the precise language of the documents relied upon, would be to jeopardize the freedom of American enterprise in all parts of China, because the competitors of America and those desirous of

¹⁹ For. Rel. 1910, p. 261.

having American interests active elsewhere would be only too ready to take advantage of any weakness on the part of American interests, to the end of interpreting specific concessions or preferences in certain areas as carrying with them exclusive general rights.

With respect to the relation of this contract to the exclusion of American enterprise from northern Manchuria, it would seem that eventually a strong position might be taken to the effect that in return for forbearance on the part of the United States toward the demands of Russian railway policy in that region, the United States has the right to insist that no similar obstruction be practiced against American enterprise in regions remote from the Russian border.

I have [etc.]

PAUL S. REINSCH

[Inclosure 1—Translation]

The Tsungli Yamen to the Russian Legation

JUNE 1, 1899.

YOUR EXCELLENCY: We discussed with your excellency a few days ago the subject of a railway connecting the Manchurian Railway with Peking, and explained the difficulty felt by the Chinese Government in acceding to the proposal. But we stated clearly that no other Government would be allowed to construct such a railway.

We now wish to reiterate in the plainest terms that China agrees that if railways are in future built from Peking to the north or to the northeast towards the Russian border, China reserves the right to construct such roads with Chinese capital and under Chinese supervision, but if it is proposed to have such construction undertaken by any other nation, the proposal shall be first made to the Russian Government or to the Russian syndicate to construct the railway, and on no consideration will any other Government or a syndicate of any other nationality be allowed to construct the railway.

We ask your excellency to communicate this message to the Foreign Office of your excellency's Government.

[Inclosure 2]

The Russian Minister to the Tsungli Yamen

(Translation of copy in Chinese sent to the American Legation from the Foreign Office, October 19, 1916.)

JUNE 17, 1899.

Receipt is acknowledged of your excellency's note of the 23d day of the 4th moon of this year (June 1, 1899), stating that the Chinese Government would not allow any other Government to construct a railway to Peking, and furthermore agreeing that if railways are in future built from Peking to the north or to the northeast towards the Russian border, no matter in what direction, China reserves the right to construct such roads with Chinese capital and under Chinese supervision, but if it is proposed to have such construction undertaken by any other nation, the proposal shall first be made to the Russian Government or to the Russian syndicate to construct the railway, and on no consideration will any other Government or a syndicate of any other nationality be allowed to construct the railway.

The statements above set forth were communicated, in accordance with your request, to my Government, and I have now received a reply from Count Mouravieff, as follows:

The assurances of the Chinese Government have been respectfully noted. While the Russian Government will not at once ask for the construction of a road connecting the main line of the Manchurian Railway with Peking, the demand of Russia for the construction of this road was based on the responsibility assumed by the Chinese Government in its note of the 13th day of the 6th moon of last year (July 31, 1898), which is direct and incontrovertible, the failure to fulfill which involves an indemnity. This responsibility cannot therefore be allowed to lapse.

[Inclosure 3]

The Russian Minister to the Tsungli Yamen

DECEMBER 10, 1899.

I have received a telegram from the Foreign Office of my Government, informing me of a report which has been spread in Europe, whereby it seems that negotiations are in progress between agents of the Chinese Government and a foreign company to raise funds for the construction of a railway between Peking and Kalgan. If such negotiations are actually taking place they constitute a violation of the terms of the note from the Tsungli Yamen of the 23d day of the 4th moon of this year (June 1, 1899). For this reason I called yesterday at the Tsungli Yamen to ascertain whether or not the report was correct. I was glad to hear your excellency state that your Government was not negotiating the matter of the Peking-Kalgan railway with any foreign country and that whenever a time is fixed for building the road steps will positively be taken in accordance with the terms of the note of the 23d day of the 4th moon.

I have written to my Government in this sense.

[Inclosure 4]

The Tsungli Yamen to the Russian Legation

DECEMBER 14, 1899.

On the 8th day of the 11th moon of the 25th year of Kuanghsu (December 10, 1899), we received your note stating that you are glad to learn that China has not agreed with any foreign company for the construction of the Peking-Kalgan Railway, and that if it should be decided to construct this road, it will be done in conformity with the stipulations of the note of the 23d day of the 4th moon (June 1, 1899). This has been transmitted to the (Russian) Foreign Office.

This Yamen (the Tsungli Yamen) has noted the above and now sends this formal acknowledgement.

[Inclosure 5—Memorandum—Translation]

The Russian Minister to the Wai Wu Pu

FEBRUARY OR MARCH, 1910.

The Wai Wu Pu formerly asked the Russian Minister verbally for the views of the Russian Government on the project of China to construct a railway from Chinchow to Aigun. The Russian Minister notified the Russian Foreign Office so that they might take it into consideration. A telegram has been received directing the Minister to state that the Russian Government, having carefully considered the proposal of China to build a railway from Chinchow to Aigun, has concluded that it would result in serious injury both to the Russian frontier defences and to her commercial interests.

In the 25th year of Kuanghsu the Chinese Government declared that in constructing all railways northward from Peking capital should be borrowed from no other country than Russia. The Russian Government would not be disposed to insist upon China's complying with her former promise in this matter of borrowing capital for the construction of railways, if Russia's frontier defences and profits in respect to the Manchurian Railway were not affected. The Russian railway experts have reported that the Chinchow-Aigun Railway cannot fail to take from the Russian Manchurian Railway profits on transportation to the amount of 5,000,000 roubles annually, and will ruin the property which China has a right to regain after a period of 20 years or which will revert to China free of cost after a period of 73 years.

The Russian Government is of the opinion that the capitalists concerned in this enterprise have no other motive in making the loan than the obtaining of profits and that they have no political aims. If, therefore, the railway which it is proposed to build from Chinchow to Aigun should be constructed elsewhere the commercial advantages would be equally great, while Russia would suffer

no injury. The foreign capitalists should have no objections to this. In view of the above considerations, the Russian Government now proposes to the Chinese Government that instead of building a railway from Chinchow to Aigun to build a line, connecting with the Peking-Mukden Railway, from Kalgan to Urga and thence southward to Kiakhta on the Russian border. It is understood that China has long had an intention to build this railway, so that China and the foreign nations would be of one mind about it. The difficulty of China which has caused her to hesitate up to the present is that since this railway would not connect with the Trans-Siberian Railway it could be very profitable. The Russian Government would not be averse to establishing such a connection and would be willing to build a branch road from a station on the Railway in the Province of Trans-Baikalia to Kiakhta. But in the event of China's building this Kalgan-Kiakhta Railway she should allow Russian capitalists to be responsible for building the section from Urga to Kiakhta.

The Russian Government greatly hopes that the Chinese Government will see clearly in this proposal the mutual advantages that would accrue to both countries.

The Russian Government would gladly accede to the wish of the Chinese Government to build a railway in Manchuria with borrowed foreign capital, if it did not affect Russia's frontier defences and the profits of her Manchurian Railway. Therefore Russia now brings forward this proposal and trusts that the Chinese Government will show a friendly spirit in helping to carry it out. The American and other Governments concerned have already been notified of this proposal.

File No. 893.77/1560

The Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, November 2, 1916.

Your telegram of October 26. If protest mentioned in your October 19 has been filed, inform Foreign Office that this Government cannot recognize Russian claim to exclusive sphere in district concerned, which appears not embraced in region referred to in Chinese note of June 1, 1899. Point out that protest appears out of harmony with Russian suggestion in 1910 to United States to join in building Kalgan-Urga railway, and seems not in accord with assurance of Russian Government to American Ambassador at Petrograd on August 23, 1916,²¹ that it is the definite Russian policy to maintain unimpaired the principle of equal opportunity for the commerce of all nations in China.

Corporation replies to Department that validity of Russian objection must be settled between China and Russia before Corporation prepared to proceed further with regard to this line.

LANSSING

File No. 893.77/1564

Minister Reinsch to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Peking, November 10, 1916.

In compliance with your instructions November 2, I have informed the Chinese Government of the position of the American Government in the matter.

²¹ See Treaty between Japan and Russia, under Japan, telegram No. 721 from the American Ambassador at Petrograd, August 23, 1916, post, p. 446.

In conversation with Russian Minister I emphasized the point that American rights could not be defeated by an enlarged interpretation of the specific promises of 1899. In the course of the conversation Russian Minister said that Russia had protested only to the Chinese Government, not to the American Government, hinting that should the Chinese Government decline to accede to the Russian contention some other advantages might be demanded and thus plainly intimating that the Russian protest was a *caveat* rather than a prohibition. The force of the offer of 1910 seemed to be admitted. Russian Minister also inquired whether American surveyors have already started out.

From the above it would seem that Americans proceeding with this railway would not encounter vigorous opposition on the part of Russia.

REINSCH

File No. 893.77/1573

Minister Reinsch to the Secretary of State

No. 1266

AMERICAN LEGATION,
Peking, November 15, 1916.

SIR: In continuation of my despatch No. 1252 of the 31st ultimo, reporting on the protest made by the Russian Minister against the construction of a railway from Fengchen to Ninghsia, I have the honor to enclose copies of memoranda of conversations with the Russian Minister and with his excellency Hsu Shih-ying, Minister of Communications, on November 7.²

In order to protect general American interests in the region affected, it was necessary for me to take a strong position with the Minister of Communications, notwithstanding my knowledge that the International Corporation did not desire at present to proceed with the railway.

Upon receipt of your telegraphic instruction of November 2, I first orally informed the Minister of Communications specifically of the position of the American Government; and I have now, also, addressed a note to the Foreign Office on this matter, a copy of which is enclosed. The status of the northern railway at the present time is that the claim to the right to build it has been asserted by both the American and Chinese Governments, but that the execution of the construction is to be postponed until one or more of the other lines have been commenced.

The Chinese Government has modified the alignment as granted in the original contract as from Hengchowfu to Nanning, so as to make Chuchow (in Hunan) the northern terminal, the railway to proceed thence to Nanning by way of Kweilin and Liuchowfu. There is also added a branch line from Liuchowfu to Sunchow and Yamchow, a port on the Gulf of Tongking. The railway is to be known as the "Chu-Chin Railway," the latter syllable referring to the coastal region of the Gulf of Tongking. The managing director of this line has been appointed, and surveying parties are preparing to leave Peking within a week.

I have [etc.]

PAUL S. REINSCH

² Not printed.

[Inclosure.]

Minister Reinsch to the Acting Minister for Foreign Affairs

No. 532

AMERICAN LEGATION,
Peking, November 15, 1916.

EXCELLENCY: Through the courtesy of your excellency's Ministry I have been informed of the protest made by the Russian Legation on account of the granting to American citizens of the right to finance and construct a railway from Fengchen to Ninghsia. Under instructions from my Government, I have the honor to notify you that the position of the American Government concerning the right of American citizens to undertake the construction of this railway agrees with that taken by the Chinese Government. The alignment of this railway is not embraced in the scope of the Chinese Government's note to the Russian Legation of June 1, 1899, as it does not run from the region of Peking toward the Russian border, nor is it a branch of the Peking-Kalgan Railway. The right to prevent Americans from operating in the region affected by the Fengchen-Ninghsia line could therefore be founded only upon a claim to an exclusive sphere of influence there, which the American Government cannot recognize. Moreover, as the Russian Government itself in 1910 suggested that American capitalists should undertake the financing of the Kalgan-Urga Railway, American activity in a region far more extended than that affected by the present concession was as late as 1910 admitted by the Russian Government to be in accord with its rights and interests. The exclusion of Americans from the region in question, beyond specific concessions made to the Russian Government, would also not be in accord with the assurance given by the Russian Government to the American Ambassador at Petrograd on August 22 [23], 1916, to the effect that it is the definite Russian policy to maintain unimpaired the principal of equal opportunity for the commerce of all nations in China.²¹

I avail myself [etc.]

PAUL S. REINSCH

File No. 893.77/1578

Minister Reinsch to the Secretary of State

[Extract]

No. 1282

AMERICAN LEGATION,
Peking, November 28, 1916.

SIR: Supplementing previous correspondence concerning the protest made by the Russian Minister against the construction of a railway from Fengchen to Ninghsia, I have the honor to enclose translations of the following Chinese documents, which have been handed to the Legation:

Note from Russian Minister to Chinese Foreign Office, October, 1916.

Memorandum of conversation between French Chargé d'Affaires and Secretary of American Legation, on October 20, 1916.

The result of all the conversations, reported in this and former despatches, is that, with the exception of the Russian Legation, no representative has entered a protest against the American railway contract. On the contrary, the representatives of Great Britain, France, Japan and Belgium have expressed themselves in a favorable sense to the undertaking of this enterprise.

I have [etc.]

PAUL S. REINSCH

²¹ See under Japan, Treaty with Russia, Telegram No. 721 from Ambassador Francis, Aug. 23, 1916.

[Inclosure 1—Translation]

The Russian Minister to the Vice Minister of Foreign Affairs

OCTOBER, 1916.

I have the honor to acknowledge the receipt of a note, No. 165 of the 23rd instant, from the former Acting Minister, Ch'en, in reference to the interpretation of the railway agreement of the 25th year of Kuanghsu (1899).

In reply I have to state that the view of the former Acting Minister was based entirely on the Tsungli Yamen's note of the 23rd day of the 4th moon (June 1, 1899). Actually, however, that note is not in entire accord with the agreement entered into between the former Minister, Mr. de Giers, and the Tsungli Yamen, which was later confirmed by an exchange of notes.

This question has since been settled in accordance with the view of the former Minister, Mr. de Giers. For, in a note of the 12th day of the 11th moon of the 25th year of Kuanghsu (December 14, 1899), the Peking-Kalgan Railway, which runs from Peking to the northwest, was included within the application of the said agreement, and it was stated that Chinese or Russian capital would be used in the construction of the railway, and that no loan from another country should be made.

The loan recently made by China from an American company for the construction of the Feng-Ning Railway appears to be especially for the extension of the Peking-Kalgan Railway. In the opinion of my Government, since the agreement of the 25th year of Kuanghsu includes the Peking-Kalgan Railway, therefore, all extensions thereof, no matter in what direction, are also included therein.

Having now received instructions from my Government I would again state that the Russian Government protests against the surrender by China to a company of another nationality of its right to extend the Peking-Kalgan Railway, that it considers such surrender to be a violation of the agreement of the 25th year of Kuanghsu, and that it will hold the Chinese Government responsible therefor.

[PRINCE Koudachief]

[Inclosure 2]

Memorandum of a conversation between Count D. de Martel, French Chargé d'Affaires, and Mr. J. V. A. MacMurray, Secretary of Legation

PEKING, November 23, 1916.

On October 20th last, Count Martel called to ask of me such information as I could give him in regard to the rumor that the Siems-Carey Company railway contracts contemplated the building of a line in the Island of Hainan. I told him that among the lines specified as part of the available mileage in that contract, was one from Chungchow to Lu Wei. He then asked the general character of the agreement, and I told him that it was of the same general character as the Pauling contracts, providing for a commission on the basis of the actual cost of construction: and in reply to his inquiry as to the nature of the securities, I read him the terms of the article (VII of the contract of May 17th last) covering that question.

He then said that this seemed to him quite unobjectionable from the viewpoint of French interests; and recalling that the newspapers that morning had stated that he had protested to the Foreign Office against the construction of such a line, he said that he wanted our Legation to know that he had not made any such protest—that, with a view simply to drawing out the Acting Minister for Foreign Affairs (Dr. Chen Chin-tao), he had in conversation said that he had heard that such a line was contemplated in Hainan, and that while he knew nothing about it he felt obligated to call attention to the non-alienation agreement of March 15, 1897, and to reserve any French rights which might prove to be affected; that Dr. Chen had professed ignorance of the matter, and that he had therefore dropped the subject with him and decided to come to our Legation for definite information.

Count Martel said that in view of the information I had given him he felt, for his own part, that the proposed construction of the line in Hainan did not affect any French rights; and that while, of course, he could not state in advance the position of his Government, he did not foresee that it would entertain any objections to the project.

He then inquired concerning the proposed section from the neighborhood of Changsha to Nanning; and, again referring to the newspaper reports that he had protested against the construction of that section as infringing upon the rights of the Banque Industrielle under its contract of January 21, 1914, for the construction of a railway from Yamchow to Yunnanfu, he stated that he had made no such objection, and that he in fact saw no reason for any such objection, inasmuch as the proposed American line would serve a wholly different territory and would rather contribute to the business of the proposed Yamchow-Yunnanfu railway, than detract from it.

Count Martel commented in similar terms upon the proposed American line from Fengchen to Ninghsia, in its relation to the concession for the line from Tatungfu to Chengtu, in which French financiers have a part interest.

J. V. A. MACMURRAY

File No. 893.77/1570

The Secretary of State to Minister Reinsch

No. 535

DEPARTMENT OF STATE,
Washington, December 7, 1916.

SIR: The Department has received your despatch No. 1252 of October 31, 1916, with its enclosures, relative to the protest of the Russian Government against the construction, with the aid of American engineers and capital, of a railway from Fengchen to Ninghsia.

The Department shares your opinion as to the bearing on American enterprises in general in China of the Russian protest, and by reference to the Department's telegram of November 2, 1916, it will be observed that the Department does not recognize any exclusive rights of Russia in the territory concerned and that notice is given that all American rights are specifically reserved.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 893.77/1573

The Secretary of State to Minister Reinsch

No. 541

DEPARTMENT OF STATE,
Washington, December 19, 1916.

SIR: The Department acknowledges the receipt of your despatch No. 1266 of November 15, 1916, with enclosures, relative to the position taken by you in respect to the protest made by the Russian Minister against the construction of a railway from Fengchen to Ninghsia.

The action taken by you in this matter is approved by the Department.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 893.77/1577

Minister Reinsch to the Secretary of State

No. 1317

AMERICAN LEGATION,
Peking, December 19, 1916.

SIR: With respect to the progress under the railway agreement of the Siems-Carey Company, I have the honor to report as follows:

As the exact alignments to be constructed are left open by the agreement and as other lines may be substituted for those tentatively

included in the original agrément of May 17 last, there has been continued negotiation between the company and the Ministry of Communications for the selection of specific lines. An alignment most favorably considered, both by the corporation and by the Ministry of Communications, is one leading from Siangyangfu (in Hupei), through Nanyangfu, Yencheng Ho, and Chenchowfu (in Honan), to Pochow (in Anhui), with a possible terminal at Wuhohsien, on the lower Huai River. The Minister has expressed himself in a sense favorable to granting this alignment as part of the line to be immediately constructed, but a final agreement to that effect has not yet been arrived at. The line is most attractive on account of the importance of the cities mentioned.

Agreement has been reached upon the first line to be constructed. Instead of the line mentioned in the original contract, proceeding from Hengchowfu (in Hunan) to Nanning (in Kwangsi), there has been substituted an alignment from Chuchow, immediately south of Changshá, by way of Paoking (Hunan), Kweilin (Kwangsi), Liuchowfu (Kwangsi), to Chinchow or Yamchow, on the Gulf of Tongking. If a more desirable port is found in the western part of Kwangtung, it is to be substituted as a sea terminal.

The organization of the engineering parties for the survey has been completed. They have, however, not as yet left because the method of handling the funds of the enterprise has not been entirely agreed upon. The contract of May 17 provides that at the end of each month the contracting company shall render a lump estimate for the ensuing month; upon the approval of this by the director general (Chinese), he is to notify the auditor, who will then turn over a cheque to the contracting company. The Minister of Communications is thus far not willing to turn over the complete control of the expenditure of money as provided in the contract. It is not likely, however, that the contracting company will accept any other arrangement, as its only security is the railway itself, and it therefore feels that it must insist upon a complete control of the expenditures for construction.

I have [etc.]

PAUL S. REINSCH

ABROGATION OF PROVISIONS OF CERTAIN TREATIES CONFLICTING WITH THE SEAMEN'S ACT OF MARCH 4, 1915.—ACCEPTANCE OF THE ABROGATION BY CHINA

(See Belgium)

PROTECTION OF CHINESE INTERESTS IN ECUADOR BY THE AMERICAN LEGATION

(See Ecuador)

DISCRIMINATION IN FREIGHT RATES AFFECTING EQUALITY OF COMMERCIAL OPPORTUNITY IN CHINA. PROTEST OF THE UNITED STATES

(See Japan)

PROTECTION BY THE UNITED STATES OF CHINESE INTERESTS IN MEXICO

(See Mexico)

COLOMBIA

CORRESPONDENCE RELATING TO THE TREATY OF APRIL 6, 1914, BETWEEN THE UNITED STATES AND COLOMBIA¹

File No. 711.21/327

Minister Thomson to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Bogotá, January 26, 1916.

Colombian Government and public growing restless and impatient at the delay of the Senate in considering the Colombian treaty. I have received long and forceful note from Minister of Foreign Affairs urging action. Special message from the President at the earliest practical moment will relieve tension.

THOMSON

File No. 711.21/334

Minister Thomson to the Secretary of State

[Extract]

No. 248

AMERICAN LEGATION,
Bogotá, January 26, 1916.

SIR: I have the honor to enclose herewith a copy of a note from the Minister for Foreign Affairs of the 25th instant together with a translation of the same. It is very evident from the tone of the Minister's note that the Colombian Government feels that its interests have been treated with indifference by the United States Government, and I am rather inclined to think that many are growing somewhat suspicious. It is now nearly two years since the treaty was signed at Bogotá, and within a comparatively short time thereafter it was ratified by the Colombian Congress. Up to the present the Government and the press as well as the people have exercised great patience.

I have [etc.]

THAD A. THOMSON

[Inclosure—Translation]

The Minister for Foreign Affairs to Minister Thomson

No. 709

MINISTRY FOR FOREIGN AFFAIRS,
Bogotá, January 25, 1916.

MR. MINISTER: On April 6, 1914, there was signed by the Government of Colombia, represented by various Plenipotentiaries, and by that of the United States, represented by your excellency, a Public Treaty for the purpose of defining the rights of the High Contracting Parties in the Canal and Railroad

¹ Continued from For. Rel. 1915, pp. 259-263.

of Panama and to put an end to the other differences arising from the rebellion of the Department of Panamá which took place in 1903.

Although the treaty received the approval of the Colombian Congress that same year, 1914, it has not yet been considered by the Senate of the United States in the various sessions, ordinary and special, which that body has held since that date. This long suspension of a pact which interests the Republic more than anything else can possibly interest it, and the condition of doubt which so much delay will cause to the effects of the treaty, are in the highest degree prejudicial to the Government and people of Colombia, who thus see their rights forgotten and for whom this situation begins to be unsupportable.

In fact, if on the part of the Republic there was real solicitude to approve a convention which accepts a reparation far inferior to its rights and which at the same time perfects the title of the United States to enormous acquisitions, still Colombia and its Government see with great pain that the Senate of the Union is paying no attention to these reparations, not refusing them, but nevertheless postponing them in an almost indefinite manner.

I therefore venture to request your excellency to kindly make known to your Government that that of Colombia awaits that the Senate of the United States should vouchsafe attention to the condition of a friendly nation which for more than twelve years has borne with disregard of the most essential rights of its jurisdiction, integrity and sovereignty and which has not yet succeeded in having this loss partially repaired, even by making the sacrifice of transferring legally to the United States its property rights almost complete.

Well does the Colombian Government recognize, and well does it appreciate, the interest and decision with which the present Government of the United States attended to the necessity of celebrating a treaty which justice and international amity demanded. But now that your excellency's Government has shown in a solemn and unquestionable manner its spirit of justice and its high intentions, my Government hopes that it will conclude its just and lofty work through efforts, by means of its well-deserved and powerful influence, that the Treaty of April 6, 1914, may have the result which the two Governments intended when making it, and that it may not be reduced to a sterile effort.

Should the result be otherwise, the unutterable injuries suffered by Colombia would be aggravated instead of being repaired, since, in addition to the impairment of its rights and the damage and prejudice caused to it since 1903, it would be forgotten:

1st, that it, at the suggestion and proposal of the United States, agreed to suspend its demand for arbitration for the adjustment of the controversy;

2d, that the same Government which committed the spoliation of the rights of Colombia more than twelve years ago and the Administration which next succeeded it showed a disposition in favor of the reparation of those wrongs;

3d, that if the Treaty of 1914 should not be considered and approved, then the violation of the rights of Colombia would not be an act peculiar to the Government which committed it, but one which in fact received the acquiescence and ratification of the American Union, by virtue of the failure of the Senate to act;

4th, that if the treaty should fail to go into effect, then the Republic would be placed in a situation incompatible with all international amity, since not only would its original rights be disregarded but so also would be its high spirit of conciliation;

5th, that the indefinite neglect of the treaty prejudices high commercial interests, daily more important, as to a country whose situation and physical conditions are unsurpassedly attractive, and even prejudice the respect of the other Latin American peoples to whom the ruin of the rights of a sister-people, consummated as it were by repeated afflictions, cannot be a matter of indifference;

6th, that it is not just that, having caused Colombia a series of daily wrongs and damages in its civil and commercial, personal and public, relations with the rebel Department of Panama, it should oblige it to suffer those wrongs indefinitely, all because of the protection which the Government of the United States gives to the rebellious section and on account of the failure of the same nation to approve the Treaty of 1914.

Understanding and experiencing the high spirit of justice which distinguishes your excellency, I beg you to kindly make known this representation, as deferential as it is earnest, to your Government, in the quickest way that your excellency may find convenient.

I renew [etc.]

MARCO FIDEL SUAREZ

File No. 711.21/323

The Minister of Colombia to the Secretary of State

[Extract]

No. 33

LEGATION OF COLOMBIA,
Washington, February 2, 1916.

SIR: * * * Thinking that it might be of importance to you to have a copy of the cablegram received by this Legation, I have now the honor to enclose it. * * * I am well aware of your great interest to see a favorable final settlement of this matter which for more than twelve years maintains in painful expectation the people of Colombia.

Availing [etc.]

JULIO BETANCOURT

[Inclosure]*The Foreign Office to the Legation of Columbia*BOGOTÁ, *January 27, 1916.*

The following note was addressed to the American Legation yesterday:

[A translation of the Foreign Office note No. 709 of January 25, inclosed with Mr. Thomson's No. 243 of January 26.]

File No. 711.21/327

The Secretary of State to Minister Thomson

[Telegram]

DEPARTMENT OF STATE,
Washington, February 2, 1916.

You may inform Colombian Government orally and confidentially that Foreign Relations Committee of Senate today reported Colombian Treaty out of committee by vote of eight to seven, amending it to reduce indemnity from \$25,000,000 to \$15,000,000 and make expression of regret mutual.

LANSING

File No. 711.21/336

Minister Thomson to the Secretary of State

No. 257

AMERICAN LEGATION,
Bogotá, February 4, 1916.

SIR: I have the honor to transmit herewith a copy and translation (very hastily made) of a note which I have only just this moment received from the Minister for Foreign Affairs with regard to the report of the Senate Committee on Foreign Affairs to the Senate of the United States concerning the Treaty of April 6, 1914. The mail leaves at once, so I am unable to add any comment.

I have [etc.]

THAD. A. THOMSON

[Inclosure—Translation]

*The Minister for Foreign Affairs to Minister Thomson*MINISTRY FOR FOREIGN AFFAIRS,
Bogotá, February 4, 1916.

MR. MINISTER: The modifications which the Committee of the Senate of the United States has presented to that high Body with the Treaty of April 6, 1914, preoccupy at this time the Government and people of Colombia. They in effect diminish greatly the satisfaction and indemnity acknowledged to the Republic by that act; and also, should these modifications be adopted finally by the Senate of the Union, they would cause various and very grave difficulties when they came to be considered by the Congress of Colombia.

I therefore beg your excellency to kindly inform His Excellency the President of the United States that Colombia and its Government will receive with special appreciation the new favor, should His Excellency vouchsafe to grant it, of recommending in a special message to the Senate of the United States of America the approval without amendments of the Treaty of April 6, 1914.

I reiterate [etc.]

MARCO FIDEL SUAREZ

File No. 711.21/329*Minister Thomson to the Secretary of State*

[Telegrams]

AMERICAN LEGATION,
Bogotá, February 5, 1916.

Your February 2. The Colombian Government expresses disappointment at the proposed amendment which, if adopted, will cause, it says, gravest difficulties when submitted to Congress; and it requests me to urge the President to send special message in favor of unaltered treaty. No comment by the press or the Minister for Foreign Affairs concerning mutual regret which, I believe, will be accepted, while Colombia, measured by financial conditions, might be forced to accept whatever the United States may offer. It is a question whether any amount less than the treaty provides would restore cordial relations.

THOMPSON

File No. 711.21/330AMERICAN LEGATION,
Bogotá, February 10, 1916.

I now believe that any amount less than stipulated in the treaty would fail to accomplish the object stated in its preamble. Would it be worth while to offer anything less? Expression of mutual regret will most certainly encounter in the Colombian Congress strong opposition encouraged by foreign interests. A few members of the committee on foreign affairs with political aspirations will also most likely oppose this expression but I believe the treaty with such an amendment would be accepted.

THOMPSON

File No. 711.21/331

The Minister of Colombia to the Secretary of State

No. 35

LEGATION OF COLOMBIA,
Washington, February 11, 1916.

MR. SECRETARY: Following my conference with your excellency on the 7th instant, I informed my Government of the inaccuracy of the news published in the newspapers by which it was affirmed that the Senate's Committee on Foreign Relations had acted in accord with the Executive Power when the committee modified Articles 1 and 3 of the Treaty of April 6, 1914.

I also informed my Government that your excellency's Government had endeavored by all means possible to obtain full approval of said pact upon which the American Senate is to deliberate, which it had already begun to do.

I have been instructed by cable to state to your excellency that my Government duly appreciates and acknowledges all the interest taken by the Executive of the United States in favor of said pact. I also have special charge to inform your excellency that my Government would consider it a proof of particular deference to Colombia that His Excellency President Wilson be pleased to send to the Senate a message specially recommending the approval of the Treaty of April 6, 1914.

In any case it befits the Legislative Power of Colombia to consider the resolutions arrived at by the American Senate from whose high spirit of justice my Government expects an adequate resolution which will bring to an end forever the pending differences between Colombia and the United States.

Such has also been the subject of my constant efforts, in compliance with the mission that I have been fulfilling before the Government of your excellency, since I consider a supreme duty, at this most sad and perilous hour of the international life of the world, to endeavor to obtain the concert and solidarity of all the nations of America.

I take [etc.]

JULIO BETANCOURT

File No. 711.21/330

*The Secretary of State to the Senate Committee on Foreign Relations*DEPARTMENT OF STATE,
Washington, February 14, 1916.

SIR: By direction of the Secretary, I beg to enclose herewith a paraphrase of a telegram² received from the American Minister at Bogotá, Colombia, relative to the proposed amendments to the treaty with Colombia now pending ratification in the United States Senate.

Very truly yours,

RICHARD CRANE,
Private Secretary

² Of February 10.

File No. 711.21/332

Minister Thomson to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Bogotá, February 15, 1916.

Minister for Foreign Affairs desires me to express to the President and the Secretary of State sincere gratitude of the Colombian Government for the interest they are manifesting in the approval of the treaty and to state that if it should be amended the Colombian Government will make no comment as the Colombian Congress will have to pass on it. Various recent developments here and reports of German propaganda convince me that the ratification of the treaty in some form is of the greatest importance in connection with the defense of the Panama Canal * * *.

THOMPSON

COSTA RICA

MESSAGE OF THE PRESIDENT, ALFREDO GONZÁLEZ, TO THE CONGRESS

File No. 818.032/5

Minister Hale to the Secretary of State

No. 92

AMERICAN LEGATION,
San José, May 2, 1916.

SIR: I have the honor to enclose copies of the official pamphlet containing the President's Message sent to the new Congress at its meeting on May 1.

I have [etc.]

E. J. HALE

[Inclosure—Extract]

INTERNATIONAL RELATIONS—CANAL TREATY

Our international life, traditionally so tranquil, registers in the year which has just terminated events of importance.

I refer, in the first place, to the discussion that we have had with the Governments of the United States and of Nicaragua on account of the conclusion of the Bryan-Chamorro Canal Treaty, which discussion, as it has not been possible for us to come to a direct agreement, we have been obliged to carry up to the Central American Court of Justice.

The case is well known to all Costa Ricans: against the clearest prescriptions of existing treaties stipulating Nicaragua's obligation previously to obtain the opinion of Costa Rica in every negotiation relating to an interoceanic canal, the Government of Nicaragua, giving to those stipulations the most erroneous and inadmissible interpretation, and concealing from Costa Rica its motives, entered into a convention with the Government of the United States whereby it cedes in perpetuity to the latter all the rights necessary for the construction, maintenance and protection of an interoceanic canal along the route bathed by the Great Lake and the San Juan River.

My Government could not remain indifferent before such forgetfulness of its proclaimed and unquestionable rights, and hastened to lay before the signatory Governments the reasons for its opposition, which, if indeed they were sufficient for both the notified parties to recognize our right in principle, unfortunately failed to cause the proceeding to be reformed as Costa Rica asked and as the treaties stipulate.

Consequently there remained to us no other recourse than to the Court, in order to obtain before this august tribunal a civilized and fraternal solution of the very sensible difference between us today.

WHITE AWARD

The difficulties which more than a year ago arose with the neighbor Republic of Panama in consequence of the promulgation of the White Award have not yet been overcome, in spite of the incessant endeavor which the Government has made to that end.

The subject, as you know, is under the friendly mediation of the Government of the United States, and Costa Ricans may rest assured that at no distant day it will be settled in perfect consonance with the sacred and unrenounceable rights of the Republic.

**PROTEST OF COSTA RICA AGAINST PROPOSED NICARAGUA CANAL
TREATY AND SUIT OF COSTA RICA AGAINST NICARAGUA**

(See Nicaragua)

DENMARK

ABROGATION OF PROVISIONS OF CERTAIN TREATIES CONFLICT-
ING WITH THE SEAMEN'S ACT OF MARCH 4, 1915,—ACCEPTANCE
OF THE ABROGATION BY DENMARK

(*See* Belgium)

DOMINICAN REPUBLIC

POLITICAL AFFAIRS.¹ REVOLUTIONARY MOVEMENTS. RESIGNATION OF PRESIDENT JIMÉNEZ. ELECTION OF PROVISIONAL PRESIDENT HENRÍQUEZ; REFUSAL OF RECOGNITION BY THE UNITED STATES. MILITARY OCCUPATION OF THE REPUBLIC BY UNITED STATES FORCES AND ESTABLISHMENT OF MARTIAL LAW. PROTEST BY THE DOMINICAN GOVERNMENT.

File No. 839.002/29

Minister Russell to the Secretary of State

[Telegrams—Extracts]

AMERICAN LEGATION,
Santo Domingo, January 3, 1916, 8 a. m.

Resignation of Minister of Finance has been accepted and son of the President, the Minister of Interior, has been appointed in his place. Peynado, Minister of Justice, has been appointed to the Ministry of Interior.

RUSSELL

File No. 839.00/1781

AMERICAN LEGATION,
Santo Domingo, January 19, 1916, 5 p. m.

I think the Department should be prepared for probable difficulty in this country soon. Congress adjourned for the holidays and although due to meet on the 11th has not convened as yet.

RUSSELL

File No. 839.00/1781

The Secretary of State to Minister Russell

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, January 24, 1916, 6 p. m.

Your telegrams January 19, 5 p. m., and January 3, 8 a. m. Reaffirm purpose of this Government as set forth in the Department's telegrams of November 26, 5 p. m.,² and December 2, 11 a. m.² and inform President Jiménez that this Government will, if requested, furnish the forces necessary to suppress insurrection and maintain order.

¹ Continued from For. Rel. 1915, pp. 279-296.

² For. Rel. 1915, pp. 331 and 332.

In assuring the President of this support, however, you will embrace the opportunity to impress upon him the danger of affording any pretext for criticism, cause for impeachment by Congress, or open opposition to his Government; and say further that this Government desires to be assured that in view of such support he will spare no pains or apparent sacrifice to insure honest, efficient and popular Government for his people.

LANSING

File No. 830.00/1795

Minister Russell to the Secretary of State

[Extract]

No. 80

AMERICAN LEGATION,
Santo Domingo, March 14, 1916.

SIR: I have the honor to report that the arrival of the U. S. S. *Castine* in these waters has had a very good effect on the conditions in the Province of Seybo, in connection with the pernicious activities of the bandit Fidel Ferrer. A new governor had been appointed for the Province of Seybo, in which are located the important American sugar interests of Central Romana, and the appointee is a very good man. The Government, continuing its weak policy, brought Fidel Ferrer to the capital, and in order to quiet him has assigned to him a salary of \$150 a month for doing nothing.

I have [etc.]

WILLIAM W. RUSSELL

File No. 839.00/1801

[Telegrams]

AMERICAN LEGATION,
Santo Domingo, April 15, 1916, 8 a. m.

Great excitement here yesterday. Commander of fort and chief of republican guard made prisoners in the country place of the President. Desiderio Arias objected to this method of removing his friends, entered fort and took command as Minister of War; sent for me last night to explain his attitude saying that he was not in rebellion against the President but that this coup, initiated by Minister of the Interior, was sure to cause trouble and he took this step to preserve order. Members of all opposition parties flocked to Arias and offered services with the exception of Velasquez faction. *Castine* in port.

RUSSELL

File No. 839.00/1802

AMERICAN LEGATION,
Santo Domingo, April 16, 1916, 8 a. m.

President firm in his purpose to name whom he chooses for office and will not submit to dictation of Arias. I had an interview with Arias yesterday and he has promised to meet Archbishop and myself this afternoon when some settlement may be accomplished. The President is making preparations to leave. If he resigns, Congress will surely elect Arias President. Everything quiet. Vidal has openly gone over to Arias who is in absolute control of the situa-

tion. In view of the situation I think advisable to have another war vessel in these waters. Complications will certainly arise if Arias elected.

RUSSELL

File No. 893.00/1804

AMERICAN LEGATION,
Santo Domingo, April 16, 1916, noon.

President practically prisoner in his country place. Arias has placed censorship on messages and telegrams of the President and committed other acts of open rebellion. I am daily with the President and he is now determined not to resign but if Arias persists will ask for his resignation or dismissal.

RUSSELL

File No. 839.00/1803

AMERICAN LEGATION,
Santo Domingo, April 17, 1916, 1 p. m.

Have succeeded in settling the situation satisfactorily. President fully maintained in his authority. Arias yields. Everything quiet.

RUSSELL

File No. 839.00/1806

AMERICAN LEGATION,
Santo Domingo, April 27, 1916, 10 a. m.

Attitude of Arias and commander of fort still aggressive. President relying on us to solve situation. All my efforts confined to keeping President from resigning and Arias from getting control. Presence of battleship here with large force would have salutary effect. President still restrained in his authority although Arias protests his allegiance.

RUSSELL

File No. 839.00/1806

The Secretary of State to Minister Russell

[Telegram]

DEPARTMENT OF STATE,
Washington, April 29, 1916, 4 p. m.

Your April 27, 10 a. m. Admiral Caperton, Port au Prince, informed by wireless of intention of this Government to support constituted authorities by all proper means and directed to cooperate with *Castine*.

LANSING

File No. 839.00/1810

Minister Russell to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Santo Domingo, May 1, 1916, 2 p. m.

House of Representatives under pressure of Arias passed impeachment proceedings against President this morning. Senate to be convened at once and it is likely to approve action of House.

Quorum in House forced by soldiers of Arias. Whole proceeding seems to be illegal and the President has issued proclamation to the people citing perfidy Arias and has issued an order dismissing him and commander of fort. *Prairie* expected to arrive tomorrow and I am convinced under no circumstances should we accept present conditions. We must stand by the President at all hazards in spite of any action of this present Congress. Any further parleying with Arias will lessen our prestige.

RUSSELL

File No. 839.00/1810

The Secretary of State to Minister Russell

[Telegram]

DEPARTMENT OF STATE,
Washington, May 2, 1916.

Your May 1, 2 p. m., and April 27, 10 a. m. You will afford the President all support and notify both factions by such means as you deem desirable of the intention of this Government.

LANSING

File No. 839.00/1811

Minister Russell to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Santo Domingo, May 2, 1916, 6 p. m.

Senate has approved House proceedings of impeachment and fixed Thursday as the day for the President to answer. Congress insists that as soon as impeachment is approved by the House, President is from that moment incapacitated; but Constitution does not provide for incapacitating President from exercising functions of office until after conviction by the Senate. President maintains that proceedings have been illegal on account of force of Arias, and by our advice will leave towards capital tonight with his forces for a point near the city so as not to provoke conflict. Conference today with Arias and commanders of *Prairie*, *Castine*. Arias and supporters relying on provisions of Constitution and I am informed that President's adherents have communicated with our President. Arias in full control of city, which is patrolled by irresponsible groups of soldiers and armed civilians.

RUSSELL

File No. 839.00/1815

AMERICAN LEGATION,
Santo Domingo, May 3, 1916, noon.

In view of probable landing troops here tomorrow which may not be understood in other parts of Republic as being for protection of American Legation, Consulate, American citizens, and in view of the fact that there are in other parts of the country Americans who would be in danger, I request additional ships be sent here with force sufficient to protect American life and property. Puerto Plata, Macoris, Sanchez should be provided for.

RUSSELL

File No. 839.00/1817

AMERICAN LEGATION,
Santo Domingo, May 5, 1916, noon.

President with all his forces advanced on the city and demanded surrender of fort. Fighting commenced and *Prairie* has landed force for the protection of Legation. Foreigners are massed in Haitian Legation under the protection of guard from *Castine*.

RUSSELL

File No. 839.00/1814

AMERICAN LEGATION,
Santo Domingo, May 5, 1916, 7 p. m.

Forces of the President advanced to city to-day. Legation in line of fire from Arias for several hours. Landing force from *Prairie* arrived at Legation four o'clock, coming in rear of Jiménez troops. Sharp firing in the city still. Result not known. Disturbed conditions other parts Republic demand presence more ships.

RUSSELL

File No. 839.00/1818

AMERICAN LEGATION,
Santo Domingo, May 6, 1916, 6 a. m.

American forces preparing to march on the city. President out of ammunition and can not win and has requested us to take the city.

RUSSELL

File No. 839.00/1815

The Secretary of State to Minister Russell

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, May 6, 1916, 4 p. m.

Your May 3, noon; May 5, noon; May 5, 7 p. m. Two destroyers ordered each to Puerto Plata, Macoris and Sanchez. *Panther* and one destroyer ordered Port au Prince to report to Admiral Caperton.

LANSING

File No. 839.00/1822

Minister Russell to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Santo Domingo, May 7, 1916, 4 a. m.

President having resigned, executive power now in hands remaining four Cabinet Ministers, who have guaranties of personal safety to enter city to-morrow. Their position with reference to control of military forces of country will be no different from that Jiménez prior to his present difficulty with Arias. Conditions now almost normal but if ministers find position untenable they are likely to resign and, owing to the Constitution, thus create situation difficult and absolutely abnormal. Election temporary successor in the hands of Congress, which not likely to have quorum for some months because of political intrigues.

RUSSELL

File No. 839.00/1819

AMERICAN LEGATION,
Santo Domingo, May 7, 1916, 7 a. m.

The President, forced by family and Cabinet, resigned rather than face the responsibility for loss of life and disastrous consequences that would result from capture of the city by our forces. The President had plenty of men but was absolutely out of ammunition and could do nothing without our assistance which he declined to accept at the last moment. This is not the end but the beginning of trouble and I strongly advise that forces be kept just where they are for the present.

RUSSELL

File No. 839.00/1818

The Secretary of State to Minister Russell

[Telegram]

DEPARTMENT OF STATE,
Washington, May 7, 1916, noon.

Your May 6, 6 a. m., received May 7, 10 a. m. Caperton reports to Navy Department May 6, midnight, that President has canceled request that city be occupied by our forces and has placed his resignation in your hands May 6, 9 p. m.

While naturally desirous that bloodshed be avoided, Department believes that manifestly irregular manner of impeachment renders it particularly desirable that President be upheld by every possible and proper means. Previous instructions to you and to naval forces grant authority for such action as you may deem advisable.

Additional marines are being sent and Caperton so advised.

LANSING

File No. 839.00/1823

Minister Russell to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Santo Domingo, May 10, 1916, 11 a. m.

Arias and his patrol, after publicly announcing that the Cabinet Ministers were the constitutional representatives of the executive power after the resignation of the President, now inform me that the Ministers have no authority to perform any acts as successors to the executive power. I am upholding the Ministers.

Our total military force at the capital including those with Admiral Caperton, who has not yet arrived, is less than five hundred. The senior naval officer here thinks that this is sufficient but I do not agree with him. I therefore request that a regiment of marines be sent here at once.

Congress is in session and strong efforts will be made to elect Arias as soon as quorum can be obtained. The members of the Congress who are partisans of Horatio Vasquez are at present preventing quorum as they do not want Arias.

Latest situation: Cabinet likely to resign and intervention seems inevitable.

RUSSELL

File No. 839.00/1843

Admiral Caperton to the Secretary of the Navy

U. S. S. "DOLPHIN,"
Santo Domingo, May 13, 1916.

At 10 a. m., May 13, I called upon the United States Minister at the Legation, and after discussing the situation with him, arranged to see, at the Haitian Legation in Santo Domingo City, General Arias and some of the other rebel leaders. There were present at this conference, in addition to the Minister and myself, Commander W. S. Crosley, Lieutenant-Commander William D. Leahy, my Chief of Staff, Mr. Johnson, Secretary of the Legation, General Desiderio Arias, General Mauricio Jiménez, Commandant of the fortress, and Mr. Cesáreo Jiménez. After an extended discussion undertaken with the object of finding an amicable method of supporting the constituted government, I delivered at 11.50 a. m., to General Arias, a written communication signed by the United States Minister and myself, (Inclosure D) which informed him that, if the rebel forces now in the city of Santo Domingo do not disarm and turn over their arms and ammunition to the United States forces by 6 a. m. Monday, May 15, 1916, it is my intention to occupy the city and forcibly disarm the rebels therein. I informed General Arias that my purpose in doing this was only to insure the peaceful performance of the work of the constituted government without fear of armed coercion, and that I would regret very much the necessity for the use of force.

MAY 14, 1916.

At 9.20 a. m., I received a radio request from the United States Minister to come ashore and see him, as important developments had occurred during the night. I immediately went ashore, landing through the surf, and was informed by the American Minister that General Arias, with other leaders of the rebel forces, had abandoned Santo Domingo City before daylight today, taking with him the rebel soldiers and a number of released convicts from the prison, with small arms and as much ammunition as they could carry.

[Inclosure D]

Minister Russell and Admiral Caperton to General Arias, General Mauricio Jiménez and General Cesáreo Jiménez

GENTLEMEN: In view of the fact that the armed forces in rebellion against the present constituted authority of the Government of the Dominican Republic are occupying all the military positions of the city of Santo Domingo and are forcibly preventing the constitutional executive representatives of the Dominican Republic from entering the city in safety to take charge of their respective portfolios; and in view of the fact that all efforts to bring about a pacific agreement with those in control of the military power of the city have failed; and in view of the publicly announced policy of the United States of America to support, by force if necessary, the present constituted authority of the Republic;

Therefore, we, the undersigned hereby call upon you to disarm the military force at present in the City of Santo Domingo, to evacuate all fortified positions within the city, and to turn over to the custody of the forces of the United States of America all arms and ammunition now in the city; and we

hold each and all of you responsible for the consequences that may result from a refusal to comply with the terms of this communication.

The demands herein made must be complied with at or before the hour of 6 a. m., May 14, 1916, and must be indicated by the hoisting of white flags on the tower of the fortress and of the municipal building and at other fortified places within the city in such a way as to be plainly visible from the sea and from commanding positions outside the city wall; and we hereby formally demand that in case a disarmament is not made, as above specified, you notify all the civilian population, native and foreign, to leave the city within 24 hours after the day and hour above specified, that is 6 a. m. May 14, 1916, at which time, to wit 6 a. m. May 15, 1916, force will be used to disarm the rebel forces in the city of Santo Domingo and to support the constituted government.

Noncombatants leaving the city by water transportation must keep out of the line of fire of the American warships.

Noncombatants must leave the city via Avenida Bolívar (Santa Ana Road) to or beyond the point where it meets the Carretera del Oeste.

A copy of this communication has been delivered to the representatives of foreign nations and to the President of the City Council (Ayuntamiento).

WILLIAM W. RUSSELL,
American Minister
W. B. CAPERTON,
Rear Admiral,
United States Navy

Minister Russell to the Secretary of State

[Telegrams]

File No. 839.00/1828

AMERICAN LEGATION,
Santo Domingo, May 14, 1916, 9 a. m.

Ultimatum presented to Arias and generals on the 13th instant. Arias abandoned fort leaving the city with considerable armed force presumably headed for the north. Our troops have entered city without opposition and are now in control. Considerable anti-American sentiment. I will keep you advised in detail. Cabinet Ministers are stationed outside of city with troops of former President but will enter as soon as notified by us that it is safe. No troops of either side will be allowed in the city. Proceedings of Congress for the election of a President, which had reached second reading in the Chamber of Deputies, will have to be begun anew.

RUSSELL

File No. 839.00/1828

AMERICAN LEGATION,
Santo Domingo, May 15, 1916, 4 p. m.

Referring to my telegram of May 14, 9 a. m. After conferring Admiral Caperton I am of opinion impossible for any good to come this country by immediate election of the President by present Congress because it is probable that Arias or his candidate will be elected if action should be taken by Congress without delay. Arias is near city waiting for news of the election. Should this be favorable to him all our efforts past month will be nullified. If unfavorable he will surely begin revolution and may finally return to attack capital. In view of our statements past few years regarding Arias and also that no more revolutions would be tolerated here, it would seem final elimination Arias as a political or military factor must now be accomplished. In view of the fact that there is revolutionary movement throughout the country and of our military occupation of the city, it is my opinion Congress should not be allowed to proceed

with election President until peace restored in entire Republic. I request specific instructions. We will have Congress delay any action in this matter until their receipt and can continue this course until country pacified and occasion favorable for elimination Arias from the election.

RUSSELL

File No. 839.00/1842

Vice Consul von Zielinski to the Secretary of State

[Extract]

No. 33

AMERICAN CONSULATE GENERAL,
Santo Domingo, May 17, 1916.

SIR: I have the honor to report that at a conference with the Minister and the military authorities it was decided that Señor Troncoso, President of the City Council, should retain full police powers and organize a force to keep order, while our troops were only going to take necessary military measures.

Two circulars bearing on the subject of public safety were issued by Rear Admiral Caperton the same day, copies of which are enclosed. Sr. Troncoso also had a notice circulated explaining the situation, a copy of the same is transmitted herewith.

I have [etc.]

CARL M. J. VON ZIELINSKI

[Inclosure 1]

[The same as inclosure D with Admiral Caperton's May 13, ante]

[Inclosure 2—Translation]

Admiral Caperton to the People of Santo Domingo

NOTICE TO THE PEOPLE

1. Owing to the conditions that have existed in and around this city in consequence of the fact that rebels in arms have taken possession of the city, excluding therefrom the constitutional officials of the Government, and after all means to arrive at a peaceful settlement of the situation had been exhausted, it became necessary to have the city occupied by forces of the United States of America.

2. Notice is hereby given to the citizens of Santo Domingo that the forces of the United States of America have assumed control in this city.

3. All the inhabitants are requested to stay in the city and cooperate with me and my representatives in protecting life and property and maintaining order.

4. All public officials are asked to remain at their posts and cooperate with me and my representatives in maintaining order within and around the city.

5. The sale of all kinds of spirituous beverages to the American troops is strictly forbidden and any infringement of this order shall be immediately punished.

W. B. CAPERTON,
Rear Admiral of the American Navy

[Inclosure 3—Translation]

The President of the City Council to the People of Santo Domingo

TO THE PEOPLE

There was held this morning an interview between the President of the City Council and the Minister of the United States, Rear Admiral Caperton, and the commanders of the naval and land forces of the United States in Santo Domingo. A notice was there given to him that, in accordance with the communication made to Generals Desiderio Arias and M. and C. Jiménez, the American forces now detached in the suburbs will enter the city on Monday morning, and will do so peacefully unless hostile acts or manifestations should be made against them, in which case they will take earnest action. The American Minister added that the purpose for which that force is entering is to guarantee the free election of the new President of the Republic by the Chambers.

The President of the Council, in the exercise of the powers yesterday conferred upon him by the Corporation, brings the foregoing to the knowledge of the inhabitants of the capital, who therefore have no occasion for fearing any armed attack, since, as is to be hoped at this very painful moment for the country, all will act soberly and calmly and refrain from hostile acts and manifestations, which would be useless to the cause of patriotism.

M. DE J. TRONCOSO DE LA CONCHÁ,
President of the Council of the Commune

SANTO DOMINGO, May 14, 1916.

File No. 839.00/1826

The Secretary of State to Minister Russell

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, May 17, 1916, 4 p. m.

Department concurs in view expressed in your May 15, 4 p. m., regarding presidential election and endorsed by Admiral Caperton. Your action may be guided accordingly.

Your May 1, 2 p. m., May 2, 6 p. m., Department's May 7, noon, and your May 10, 11 a. m. Report your opinion whether, if exercise of executive power by ministers proves inadvisable or fails to ensure method of government desired, the exigencies of present situation warrant consideration of validity of resignation of President in light of provisions of Article 50, Dominican Constitution and of your interpretation of true sentiments of Congress.

Your May 7, 4 a. m. Preparatory to permanent reforms, upon which we must insist, and in view of recent developments, also report whether complete disarmament of the revolutionary element throughout the country may now be opportunely effected.

LANSING

File No. 839.00/1830

Minister Russell to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Santo Domingo, May 18, 1916, 5 p. m.

Your May 17, 4 p. m., referring to my cable of May 15, 4 p. m. Congress has ignored my request to defer election President until normal conditions restored and yesterday the House on the third

reading selected Dr. Henríquez, [Chief Justice of the] Supreme Court, and there will be three consecutive days voting in the Senate. Henríquez is a compromise candidate of Horatio Vasquez and if elected the country will be thrown into formidable revolution, as nine out of the twelve provinces have notified me that they will not recognize as binding any choice of the present Congress. There is fighting in the north. Admiral Caperton and I have addressed to Congress a demand to postpone election which will be enforced if ignored. Cabinet Ministers still outside of town and I am of the opinion that we can do nothing properly to rehabilitate Jiménez, as he practically quit job in resignation to the people instead of to Congress and Congress declared presidency vacant.

RUSSELL

File No. 839.00/1844

Admiral Caperton to the Secretary of the Navy

[Telegram—Paraphrase]

SANTO DOMINGO, May 30, 1916, 7.30 p. m.

Have directed landing of United States forces at Puerto Plato and Monte Cristi after consulting with American Minister and in agreement with him to preserve peace and maintain constituted government. Have senior officer present to take such military action only as is necessary to protect United States forces ashore, preserve peace, lives, protection and property of American citizens and other foreigners and to constituted authority. Serious opposition to landing not anticipated.

CAPERTON

File No. 839.00/1847

Minister Russell to the Secretary of State

[Telegrams—Extracts]

AMERICAN LEGATION,
Santo Domingo, June 2, 1916.

The Senate so far has kept its agreement not to proceed with election of President. * * * In all probability after Monday next Senate will proceed and Dr. Henríquez will probably be elected.

RUSSELL

File No. 839.00/1851

AMERICAN LEGATION,
Santo Domingo, June 4, 1916, 4 p. m.

In view of the probable insistence of the Senate to meet to-morrow and proceed with election Henríquez, Council of Ministers has decided to arrest and imprison four of the Arias Senators to-night. This will probably bring about trouble in the city.

RUSSELL

File No. 839.00/1856

AMERICAN LEGATION,
Santo Domingo, June 6, 1916.

Arrest of Congressmen yesterday created untenable position for us and I advised Government to release them, which was done this morning.

RUSSELL

File No. 839.00/1861

AMERICAN LEGATION,
Santo Domingo, June 14, 1916.

Referring to my cable of June 6. Henriquez has withdrawn his candidacy and the Senate yesterday, third reading of the bill, agreed on Senator Castro for provisional President for a term of one year. Castro is the Horacista Senator from this province and his name will have to be approved by the House.

RUSSELL

File No. 839.00/1884

AMERICAN LEGATION,
Santo Domingo, June 20, 1916, 9 a. m.

Fourth Regiment Marines arrived yesterday and after colonel had interviews with Caperton and myself left here last night for Monte Cristi preparatory to occupying Santiago, Moca and La Vega if necessary. Deadlock continues in the House, no immediate election President seems probable.

RUSSELL

File No. 839.00/1892

Minister Russell to the Secretary of State

No. 107

AMERICAN LEGATION,
Santo Domingo, June 26, 1916.

SIR: I have the honor to enclose herewith English and Spanish text of the proclamation issued by Rear Admiral Caperton in regard to the advance of our forces on Santiago.

The 4th Regiment of Marines, Colonel J. H. Pendleton, arrived here on the 18th instant, and left on the evening of the 19th for Monte Cristi, and are now on the march to Santiago, where they will arrive in three or four days.

I have [etc.]

WILLIAM W. RUSSELL

[Inclosure]

BY THE COMMANDER-IN-CHIEF OF THE FORCES OF THE UNITED STATES OF AMERICA
IN SANTO DOMINGO

A PROCLAMATION

Whereas, the forces of the United States of America have entered the Dominican Republic for the purpose of supporting the constituted authorities and of putting a stop to revolutions and consequent disorders, impeding the progress and prosperity of the country;

Now, therefore, I, William B. Caperton, Rear-Admiral United States Navy, Commander Cruiser Squadron and Commanding United States Forces in Santo

Domingo and Dominican Waters, hereby make it known that it is my purpose to occupy immediately the towns of Santiago, Moca and La Vega, with the above purpose in view, as these towns are now in the possession of, or menaced by, a considerable force of revolutionists against the constituted government.

It is not the intention of the United States Government to acquire by conquest any territory in the Dominican Republic nor to attack its sovereignty, but our troops will remain here until all revolutionary movements have been stamped out and until such reforms as are deemed necessary to insure the future welfare of the country have been initiated and are in effective operation.

It is hoped that all this may be accomplished peacefully and without bloodshed, and I call upon all true Dominican patriots both in public and private life, to cooperate with me to the fullest extent.

W. B. CAPERTON

File No. 839.00/1891

Minister Russell to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Santo Domingo, July 7, 1916, 9 a. m.

The 4th Regiment of Marines which left Monte Cristi on June 26 reached Santiago last night and entered the town without opposition. Encountering considerable resistance from troops which were strongly entrenched in several places. Our forces from Puerto Plata left along the line of railway to make junction with the 4th Regiment and had several encounters, total casualties on the whole expedition including operation from Puerto Plata, three privates killed, thirteen privates wounded and two officers wounded. Arias has surrendered to Governor of Santiago; his forces were deserting him and the people of North were tired of him. Arias has telegraphed Archbishop requesting permission to come to the capital. This, of course, will not be allowed.

RUSSELL

File No. 839.00/1899

Minister Russell to the Secretary of State

[Extract]

No. 110

AMERICAN LEGATION,

Santo Domingo, July 13, 1916.

SIR: I have the honor to report that there has been no change in the political conditions here for some time. * * * The struggle is between the followers of Horacio Vasquez, Desiderio Arias and Federico Velasquez. * * * The partisans of ex-President Jiménez are all in reality friends of Desiderio Arias, although elected as Jimenistas.

On the 27th of this month the regular session of Congress terminates, and there will be no other regular session until February 27, 1917. After the 27th of this month, if there is no election of President, the Council of Ministers, now reduced to three, will continue as representatives of the Executive Power, and, in accordance with the provisions of the Constitution, will have to call Congress for the election of a President. This will mean the repetition of the present farce, as the same Congress will be called.

Since the occupation of Santiago by our forces, conditions have remained quiet, but no permanent good can result until a definite disposition is made of Desiderio Arias and his board of advisers. * * *

I have [etc.]

WILLIAM W. RUSSELL

File No. 839.00/1900

Minister Russell to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,

Santo Domingo, July 25, 1916, 5 p. m.

Congress today elected Dr. Francisco Henríquez Provisional President for five months. President-elect is a brother of Federico Henríquez,³ who was chosen by Congress on preliminary readings some time ago and whom we refused to recognize. He has been out of the country for some time and was lately named Dominican representative to the International High Commission, Buenos Aires. In 1912 he was Dominican Minister to Haiti and candidate of Arias for president. He has been living for some time past in Cuba and has been summoned here by telegraph.

RUSSELL

File No. 839.001H39

The Acting Secretary of State to Minister Russell

[Telegram]

DEPARTMENT OF STATE,

Washington, August 2, 1916, 6 p. m.

In its consideration of the advisability of recognizing Provisional President or of withholding such recognition until assurances of reforms are obtained, the Department would welcome an expression of your opinion.

POLK

File No. 839.00/1904

Minister Russell to the Secretary of State

[Telegrams—Extracts]

AMERICAN LEGATION,

Santo Domingo, August 4, 1916, 11 a. m.

Your August 2, 6 p. m. * * * The President was elected on July 25 and the following day Congress constitutionally ceased to exist; so that on July 31, when the President took the oath before Congress, the question arises as to whether he has been properly clothed with executive power.

His cabinet appointments indicate victory for Arias and Vidal. Senate and House have been telegraphing openly to Arias congratulating him on his victory in the election of Henriquez. Cabinet probably all anti-American with exception of Representative of Valásquez. Defeated brother resigns as Chief Justice Supreme Court to accept portfolio as Premier of Cabinet for five months.

RUSSELL

³ See Mr. Russell's May 18, p. 229.

RELATIONS

File No. 839.00/1905

AMERICAN LEGATION,
Santo Domingo, August 10, 1916, 9 a. m.

Long interview with the President yesterday. I stated emphatically and plainly the position of our Government in regard to Arias and his friends. At the conclusion of the interview I asked the President what I should telegraph to Washington as the result of our conversation. He said, "You may say to your Government that with the help of the United States I intend to establish a government of order that will guarantee the peace and prosperity of the country." The President said that he had not yet read the note⁴ containing interpretation demanded by us which I sent to the Government last November but that he would do so at once.

RUSSELL

File No. 839.00/1914

AMERICAN LEGATION,
Santo Domingo, August 25, 1916, 6 p. m.

Dominican Government contemplating sending commission to Washington. Strongly recommend Department to discourage this and I request that you instruct me to give out here that commissions will serve no useful purpose and that all negotiations must be carried out here. The President sent the Archbishop to me the other day and I prepared memorandum for the President to submit to you about as follows:

A decree reciting *status quo* encountered on assumption of office; that is, collection and disbursement of all the revenues by the Receivership; armed forces of the United States in military occupation of the principal places exercising military control; in view of preceding, recognizes as a *modus vivendi* the existing financial control and the practical uselessness of maintaining the regular army and Republican Guard, which are hereby disbanded and stricken from pay roll (verbal understanding being that funds thus accumulating may on his own responsibility be expended by the General Receiver of Customs on a rural constabulary to be organized along lines suggested by the United States); decree also to provide that negotiations defining treaty or amendments to convention covering these and all other matters submitted to be initiated within a month. The proposal is in that respect that on our part upon promulgation of decree we are merely to extend immediate recognition.

RUSSELL

File No. 839.00/1915

AMERICAN LEGATION,
Santo Domingo, August 26, 1916, 9 a. m.

The President requested an interview with me yesterday to talk over matters with him and Peynado, former Minister at Washington. The conference lasted for two hours and it is evident that Peynado is to play a very important part in this administration.

⁴Inclosure to Mr. Russell's despatch No. 30 of December 9, 1915; For. Rel. 1915, p. 333.

The President told me that I could say to you that he realized absolute necessity of reforming the country with our help, that he was obliged to accept the *status quo* in regard to our control of finances; that the army would be called in to be organized into some sort of police, and that he would need the assistance of our military officials for this; that the suspension of payments placed him in helpless condition; that the above measure had never been taken with any other Government and that it seemed to him as if he, so full of desires for reform, had been selected as the victim. I asked him if he could not put in the form of a decree his acceptance of the *status quo* to which he replied that this was absolutely outside of his faculties but that the fact that he did accept ought to be enough for us. He stated that if we had any idea of withdrawing the troops he would request us to keep them here. I told the President that I would communicate the result of this interview to you. I am sure that with the anti-American advisers surrounding him the President will be hampered in granting the reforms desired by us however well disposed he himself may be.

RUSSELL

File No. 839.00/1912

The Secretary of State to Minister Russell

[Telegrams]

DEPARTMENT OF STATE,
Washington, August 26, 1916, 3 p. m.

Your August 4, 11 a. m. Provisional Government will not be recognized until it shows itself to be favorable to our interpretation of convention as to control, constabulary and other reforms and proves itself free from dominion of Arias. Arias must be kept under close surveillance and must be arrested if he attempts to leave Santiago or if he violates promise to refrain from inciting revolutionary movements.

Department is giving careful study to necessary reforms in Santo Domingo and will forward them to you at earliest possible moment.

LANSING

File No. 839.00/1914

DEPARTMENT OF STATE,
Washington, August 29, 1916, 5 p. m.

Your August 25, 6 p. m. and August 26, 9 a. m. Department concurs in your views as to commission. You are instructed to state that the Government of the United States does not consider that any commission from Santo Domingo at this time would serve any suitable purpose and that it prefers that negotiations be carried out in Santo Domingo, and that you have been given directions to this end.

A decree such as you outline would appear to be satisfactory and the reforms contained therein are absolutely essential at this time. The proposition from the President must be either in form of decree or presented in writing in such a way that it will be binding upon the country. The Department will continue its policy in regard to disbursement of finances and recognition of Government until proposals are definite and it is assured that revolutionary influences in Cabinet are terminated.

LANSING

File No. 839.00/1923

Minister Russell to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Santo Domingo, September 5, 1916, 11 a. m.

The President sent Minister for Foreign Affairs and Minister of Finance to me with the request that I submit to you the following proposition:

Simultaneously with the recognition by the United States Government of the Government of Dr. Francisco Henríquez and the resumption of payments in accordance with budget, President Henríquez will address a letter to the Minister of Finance ordering him to put no obstacle in the way of collection of internal revenues which, under the inspection of his ministry, is now being done by the receivership, nor to the disbursing of said revenues as well as customs revenues belonging to the Dominican Government, which disbursements will be made in accordance with the budget and other laws of the Dominican Congress relegating [sic] the present system of collecting as well as disbursing constitutes [sic] an act imposed by the intervening Government before the inauguration of the present administration and if obstacles are imposed it might cause difficulties which would prevent an understanding with the United States Government. This letter in no way implies a definitive approval of the present state of things but will be the means of facilitating final agreement between the parties. The President also declares that, having decided to organize the armed forces of the Republic on a scientific basis, he asks the President of the United States to recommend a technical officer to take charge of this work. This officer will act under a contract with the Dominican Government and will be assisted by a certain number of subalterns, Cubans or from other Latin American Republics, and the military organization will be the same as that of North American, it being understood that until this organization is completed and in order to preserve public order there will be retained part of the present army and Republican Guard. The President also formally promises within thirty or sixty days after recognition to commence the discussion of a treaty between the United States and the Dominican Republic.

It is rumored on good authority that the President intends to resign unless recognized by us very soon. This would result in chaos and the only thing possible would be a *de facto* government or complete control by us.

RUSSELL

File No. 839.00/1923

The Secretary of State to Minister Russell.

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, September 8, 1916, 11 a. m.

Your September 5, 11 a. m. Unless financial control and establishment of constabulary definitely assured and made binding in

future Department feels it cannot change its present attitude toward Government of Henríquez. You may intimate this to the present Government.

LANSING

File No. 839.00/1925

Minister Russell to the Secretary of State

[Telegrams]

AMERICAN LEGATION,

Santo Domingo, September 14, 1916, 10 a. m.

The President has issued a decree discharging the two battalions of the army with the exception of the chiefs and their staffs and abolishing the office of military commander throughout the Republic. Discharged soldiers can join rural guard upon application and after examination as to fitness. Rural guard is about up to its budget complement including about one half civilians and these places of civilians will probably be given to the discharged soldiers. President states that it is constitutionally impossible for him to agree to the formation of the constabulary as proposed by us but that he will ask the President of the United States to submit to him the names of American military officers to take charge of the reorganization and management of the army under four years contract. The decree discharging the army is not the result of any negotiations with me but rather from the fact that the men were deserting for the reason that they were not being paid. I would strongly recommend that we do not recede from our position in regard to the constabulary but something definite should be done at once in regard to this as with the suspension of payments we are creating a condition of internal disturbances that we must suppress and in addition innocent people are being made to suffer through the refusal of this Government to grant our demands.

RUSSELL

File No. 839.00/1926

AMERICAN LEGATION,

Santo Domingo, September 18, 1916, 11 a. m.

Arias has been arrested in Santiago by order of the Attorney General for robbing the public treasury during the time he was in rebellion against the Jiménez Government. This arrest followed that of Mauricio Jiménez on the same charge. The latter was commander of fort under Arias and on Saturday was released on bail. Vidal left on steamer *Algonquin* eleventh for New York. It is not known why he left but supposedly because he was fearing arrest. These arrests were by the Attorney General on orders from the President, but on the initiative of the Attorney General himself last June in regard to Mauricio and with the consent of present Minister of Fomento.

RUSSELL

File No. 839.51/1798

AMERICAN LEGATION,
Santo Domingo, October 4, 1916.

Constitutional Assembly meeting daily with twelve members, and at least sixteen are necessary for a quorum. Four Supreme Court judges elected as delegates to the Assembly declined to serve, as the holding of two offices is unconstitutional. Electoral college in several provinces met of its own volition and returned to Congress all the Arias deputies whose terms expired December 1, and sent as Senator Santiago, the principal adviser to Arias in the plot of last April. Congress is still supposed to be in session but took a recess until September 10, when it was supposed to meet, but no meeting has taken place and the followers of Horacio Vasquez very likely would prevent a quorum if it should meet. The status of Congress is as follows: It could meet at any time before February 1, but there would be no quorum for the transaction of business; after November 30 it would have to meet with the lately returned members chosen by the electoral college, and these elections now claimed to be illegal as the colleges met without call from the Executive. Congress, if we recognize it, will have finally to sanction whatever is obtained now by decrees.

The situation is so complicated that I think that I should go to Washington for a short conference, on any naval vessel that may be going north in this connection.

RUSSELL

File No. 839.51/1798

The Acting Secretary of State to Minister Russell

[Telegram]

DEPARTMENT OF STATE,
Washington, October 10, 1916.

Your October 4. In view of complications in Dominican situation, Department believes it would be advantageous for you to come to Washington at earliest opportunity if you consider that the position of this Government would not be weakened during your absence and *status quo* could be maintained by American forces.

POLK

File No. 839.00/1933

Clerk Brewer, in charge of the Legation archives, to the Secretary of State

[Telegrams—Extracts]

AMERICAN LEGATION,
Santo Domingo, October 24, 1916, 3 p. m.

Referring to Legation's telegram of September 16, 9 p. m.,⁵ and despatch number 28, November 30, 1915.⁶ In an attempt by our forces to arrest Baptista this afternoon, Captain Low and Sergeant Atwood killed, Lieutenant Morrison wounded. Baptista killed. Rojas arrested. Other details later. Excitement prevails but situation well within hand of our forces.

BREWER

⁵ For. Rel. 1915, p. 295.

⁶ Id., p. 296.

File No. 839.00/1937

AMERICAN LEGATION,
Santo Domingo, October 26, 1916, 4 p. m.

Last evening marine patrol of two men attacked from gambling saloon near Legation by considerable number of Dominicans whose fire was returned resulting in three Dominicans killed.

BREWER

File No. 839.00/1937

The Secretary of State to Clerk Brewer, in charge of the Legation archives

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, October 28, 1916, 6 p. m.

Your October 24 and 26. Do you think American forces have situation sufficiently under control to prevent future outbreaks without declaration martial law? Would immediate declaration martial law in capital or throughout Republic have satisfactory or unsatisfactory effect on present situation?

LANSING

File No. 839.00/1938

Clerk Brewer, in charge of the Legation archives, to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Santo Domingo, October 29, 1916, 10 p. m.

President requested an interview with Admiral yesterday, Colonel Pendleton present. The President, Minister for Foreign Affairs and Minister of Finance all expressed regret for, and concern at, the recent occurrences, intimating we were responsible. Our case plainly stated. Decrease patrols and increase police force requested which was taken into consideration. Vidal has returned.

BREWER

File No. 839.00/1939

AMERICAN LEGATION,
Santo Domingo, October 30, 1916, 4 p. m.

Your October 28, 6 p. m., received today. Consulted on *Prairie* Admiral Pond, Colonel Pendleton. I think forces ample thirty days. Situation sufficiently under control not to require martial law and its immediate declaration would not have satisfactory effect under present conditions. Disturbances last week sporadic and martial law could hardly entirely prevent similar outbreaks, although if in force would prove advantageous many ways and I respectfully suggest that future necessity might be question of serious consideration. Death of Captain Low probably due to absence of impressive force.

BREWER

File No. 839.00/1948

AMERICAN LEGATION,
Santo Domingo, November 20, 1916.

Commission to consult on proposed legislation failed to agree and has discontinued conferences. President has issued a decree dated 14th convoking electoral college provinces on December 3 for the purpose of electing successors senators and deputies whose terms expire November 27; see Constitution, Article 85. Decree convokes electoral college Province Azua November 20 for election senator fill vacancy caused by acceptance former incumbent appointment Minister of War August last; see Constitution, Article 17. Decree also calls for meeting primary assembly commune San Francisco, Macorís, a case of vacancy in college caused by death; see Constitution, Article 83. In an open letter to governors charging them with the fulfillment of decree the President states the decree issued because of delicate situation between Governments Santo Domingo, United States requires permanent continuance legislative body and it does not conflict with law electing him Provisional President and he will fulfill provision of said law relative to convoking primaries for proceeding with election President of the Republic at the time therein set forth. In short, President recognizes actual electoral college purpose advantageous to members of Congress but will convoke primaries to name new college to elect successor to complete constitutional term Jimenez. Elections held and in four provinces returned delegation for Arias, his chief adviser being made senator. If elections contemplated in decree are held it is to be presumed that majority appointments will be of Arias party and if Congress thus composed is recognized and finally Hendríquez elected constitutional President, Arias will have accomplished end for which he has been working since his military elimination, namely, complete governmental control. Vasquez instructing his friends electoral college refrain from the election. Fairly reliable information President relying on resumption of negotiations with American Government in order to obtain ends mentioned herein.

BREWER

File No. 839.00/1952

The Secretary of State to the President

DEPARTMENT OF STATE,
Washington, November 22, 1916.

MY DEAR MR. PRESIDENT: The situation in the Dominican Republic is approaching a crisis and we ought to determine immediately a course of action as otherwise revolution and economic disaster are imminent.

After reviewing conditions with Mr. Stabler, Chief of the Latin-American Division, I requested him to embody the conclusions we reached in a letter to me, which he has done and which I enclose to you together with other papers bearing on the subject. You will also perceive that Mr. Polk has taken up the matter with Mr. Stabler, Minister Russell, Admiral Benson and Captain Knapp. Captain Knapp is a most competent officer and has been since the beginning

of the war a member of the Neutrality Board. He has just been given command of the squadron in Dominican waters. I know him well and place great reliance upon his judgment and discretion.

I will be glad to receive at your earliest convenience your instructions as to the course which should be taken.

ROBERT LANSING

[Inclosure]

The Chief of the Latin-American Division to the Secretary of State

DEPARTMENT OF STATE,
DIVISION OF LATIN-AMERICAN AFFAIRS,
Washington, November 21, 1916.

DEAR MR. SECRETARY: There is attached herewith a memorandum made by the American Minister to Santo Domingo, dated November 9; 'a memorandum of a conference which was held between Mr. Polk, Admiral Benson of the Navy, Captain Knapp, Mr. Russell and Mr. Stabler on October 31;' and also a draft of a proclamation declaring that Santo Domingo be placed under military government.

The situation has now reached a very serious point, in view of the fact that according to telegrams from the Legation at Santo Domingo the President has issued a decree convoking the electoral college for the purpose of electing senators and deputies. It is apparent that the majority of the senators and deputies will be from the Arias faction, hence giving Arias, who has been the disturbing element in Santo Domingo for many years, complete governmental control, even in the event of the election of Henriquez as constitutional president.

This new phase of the situation, coupled with the fact that the provisional government will not meet the views of the United States in regard to the establishment of financial control and constabulary, brings the Government of the United States face to face with a serious problem.

The withholding of the funds by the United States Government, on account of the fact that recognition has not been granted to Henriquez, has brought an economic crisis in the country which is daily growing worse and for which this Government would not wish to be placed in such a position that it would be held responsible.

After careful consideration of the matter, in conference with the Navy Department, it was thought that the only solution of the difficulty would be the declaration of martial law and placing of Santo Domingo under military occupation, basing this on the interpretation which the United States has given to the Dominican Convention of 1907 and also upon the present unsettled conditions in the Republic.

Captain Knapp, who has gone in command of the cruiser squadron of the Atlantic fleet as Commander of the Forces in Dominican waters, is understood to have arrived today in Santo Domingo and it is felt that no time should be lost in instructing him to put into effect the proclamation declaring military control and to immediately commence the disbursement of the funds under martial law.

STABLER

[Subinclosure]

Draft of a Proclamation

[This is the draft by Captain Knapp, Commander of the Cruiser Squadron of the Atlantic Fleet; it was sent to the President and by him amended and returned with his letter of November 26, post. For the proclamation as issued by Captain Knapp, see inclosure with Mr. Brewer's No. 143 of December 6, post.]

¹ Not printed.

File No. 839.00/1952

The President to the Secretary of State

THE WHITE HOUSE,
Washington, November 26, 1916.

MY DEAR MR. SECRETARY: It is with the deepest reluctance that I approve and authorize the course here^s proposed, but I am convinced that it is the least of the evils in sight in this very perplexing situation. I therefore authorize you to issue the necessary instructions in the premises.

I have stricken out the sentences in the proposed proclamation which authorizes the commanding officer to remove judges and others in certain circumstances. It may be necessary to resort to such extreme measures, but I do not deem it wise to put so arbitrary an announcement in the proclamation itself.

Faithfully yours,

W[OODROW] W[ILSON]

File No. 839.00/1952

The Secretary of State to the Secretary of the Navy

DEPARTMENT OF STATE,
Washington, November 27, 1916.

SIR: I have the honor to inform you that after careful consideration of the situation in the Dominican Republic, the Department has come to the conclusion that the only possible solution of this serious problem will be the proclamation of military occupation and the establishment of martial law in the Republic.

Captain Knapp, Commander of the Cruiser Squadron of the Atlantic Fleet, now in Dominican waters, while in Washington conferred with this Department, under your instructions, and prepared a draft of a proclamation placing the country under military occupation. A statement of this policy was transmitted to the President, together with a copy of the draft proclamation prepared by Captain Knapp, and he has given his approval to the action as outlined and made minor changes in the draft of the proclamation.

A copy of the Department's memoranda and the draft proclamation, together with the President's letter of approval, are attached herewith. It is therefore requested that your Department take such action as is necessary to put into effect the policy which has been outlined.

I have [etc.]

ROBERT LANSING

^s Subinclosure with the letter of November 22 from the Secretary of State to the President.

File No. 839.00/1951a

The Secretary of State to Clerk Brewer, in charge of the Legation archives

[Telegram]

DEPARTMENT OF STATE,
Washington, November 27, 1916, 4 p. m.

The Government of the United States after careful consideration of conditions in Santo Domingo has now come to the conclusion that the only solution of this situation will be a declaration of military occupation in Santo Domingo, the establishment of a military government and placing the country under martial law. The Navy Department is sending instructions to Captain Knapp, Commander of the American forces in Santo Domingo, immediately to take this step and to issue a proclamation. You will therefore immediately confer with Captain Knapp and be governed in your actions by his proclamation.

This telegram is to be regarded as strictly confidential and to be communicated to no one except Captain Knapp.

Mr. Russell will leave Charleston December 4 for Santo Domingo on the U. S. S. *New Hampshire*, arriving about December 9.

LANSING

File No. 839.00/1951

Clerk Brewer, in charge of the Legation archives, to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Santo Domingo, November 29, 1916, 2 p. m.

Inauguration military occupation and government just now made public. I have notified consuls earlier.

BREWER

File No. 839.00/1960

AMERICAN LEGATION,
Santo Domingo, December 4, 1916, 9 a. m.

General belief is that both executive and legislative powers abolished by the proclamation and I respectfully suggest recognition of either branch as at present constituted unwise and not desired by country.

Payments pending June, July made yesterday. Expectation carry through payments August to December in four weeks. Method authorized by Captain Knapp is to pay minor employees at once, heads departments and major officials appointed by Henríquez and whose status is in doubt to be considered later. Check payable to employee alone system which is fully appreciated by him and a blow to purchasers salaries usurious interest.

BREWER

File No. 839.00/1963

The Minister of the Dominican Republic to the Secretary of State

[Translation]

No. 53

LEGATION OF THE DOMINICAN REPUBLIC,
Washington, December 4, 1916.

MR. SECRETARY: In compliance with instructions received from my Government I have the honor to lay before the Government of the United States of America through your excellency the formal protest by which the legitimate Government of the Dominican Republic finally and irrevocably resists the unexampled act in contempt of the sovereignty of the Dominican people which on the 29th of November, brought to a climax the illegal course of the forces of American intervention in the territory of the Dominican Republic: the act is the proclamation of Captain Knapp, commander of the said forces, by authority of your excellency's Government, in the capacity of Military Governor of the Dominican Republic.

The Dominican Government bases its protest on the following:

1st. The United States has always recognized the international entity of the Dominican Republic and it was in that capacity that the Dominican Republic concluded with the United States of America the Convention of 1907.

2nd. If the American Government considered as is stated in the proclamation which installs Captain Knapp as Military Governor of the Republic "that previous Governments of the Dominican Republic had violated Clause 3 of the said Convention by increasing, *for causes beyond their control*, the internal debt of the Dominican Republic, which interpretation differs from that put on the said Clause 3 by the Dominican Government, the American Government only had the right to sue out against the Dominican State through the proceedings in force for such cases the legal consequences of the fault the latter was supposed to have fallen into, but by no means that of sitting in supreme judgment of the contract and destroying, by way of penalty, the sovereignty of the Dominican people.

3rd. Nor could the Washington Government any more derive that right from the alleged state of domestic unrest which is also invoked in the aforesaid proclamation, since no State has the right to interfere in the domestic questions of another State, and, on the other hand, the sentiments of brotherly friendship which always governed the relations of the two States are not to be understood as affording the Government of this nation, in the face of such an occasion, anything but an opportunity to discharge the imperative duty put upon it by its exceptional situation on this continent and its constant humanitarian promises toward the several autonomous units of America whose evolution, socially or politically, has not yet reached the prodigious development of the exemplary North American Commonwealth. But it is a humane duty whose correlative can be no more than a humane right; such a right as that which in 1912 brought to the Dominican Republic the noble Peace Commission that strengthened the ties of the Dominican family's gratitude to the Northern Republic, again such as that which brought the Lind Commission to the Mexican

Capital in 1913, that which gave birth to the idea of the Central American Court of Justice and many other agencies of true American brotherhood which strengthened in the same manner the sentiment of well deserved admiration, profound respect and earned gratitude from the Latin-American peoples for your excellency's Government and country. But never, never, a right which ceases to be one when it goes so far as to smother traditions and demolish attributes that are so inherent in human personality and in the very life of politico-social entities as to place beyond conception any possible finality if that finality is not to begin with cementing its own virtuality with an unequivocal and permanent recognition of those prerogatives, and

4th. A state of war which alone could have justified such a proceeding on the part of the Government of the United States toward the Dominican Republic has never existed between the two nations.

And therefore by acting as it has with the Dominican Republic, your excellency's Government plainly violated in the first place the fundamental principles of public international law which lay down as an invariable rule of public order for the nations the reciprocal respect of the sovereignty of each and every one of the free states of the civilized world, and in the second place the principles which guide the doctrine of Pan Americanism which also hallow the inviolability of American nationalities; principles which may be said to have found their highest authorities in the many official declarations of the learned President of the United States; the Constitutional Government of the Dominican Republic hereby formulates, in addition, the concomitant reservation of its rights which it will vindicate at the proper time.

Saluting [etc.]

A. PÉREZ PERDOMO

File No. 839.00/1968

*Clerk Brewer, in charge of the Legation archives, to the Secretary of State**

[Extract]

No. 143

AMERICAN LEGATION,
Santo Domingo, December 6, 1916.

SIR: In confirmation of my telegram of the 4th instant, I have the honor to report that the only trouble so far reported was at San Francisco de Macorís under the leadership of General Lico Pérez, Governor of the Province of Pacificador. Pérez, with about one hundred men, is said to be moving towards this city. A detachment of marines is in pursuit of him.

From a military standpoint, the situation in the cities occupied by the marines is very satisfactory, and their operations will undoubtedly be extended as occasion may demand.

Payments under the budget were resumed by the Receivership on December 2, salaries pending for June and July, for various reasons, being cleared up. Mr. Edwards has kept his work so well in hand that he expects to carry through payments from August to

* Receipt acknowledged December 26, 1916.

December by the first week in December. The resumption of payments and their uninterrupted continuation will act as a large factor in gaining the cooperation and good will of the Dominican people.

The system that is being followed in making payment of the pending salaries is one that has caused great contentment to the recipients and consequent discontent and dismay to the money lender, many of whom have bought up salary accounts at a rate ranging up to 75 per cent of the amount. No checks are to be accepted by endorsement. No payments will be made except on checks properly signed by the payee, presented by the payee, identification being an added requirement by the banking house of Michelena. In view of these requirements many of those who have sold their salaries at usurious interest have declared that they will not cash their checks for the benefit of the broker unless he agrees to make satisfactory settlement with them.

Finally, I have to report that the return of Mr. Russell is being awaited with interest, as it is confidently expected he will bring the solution of some of the questions at present unsettled, so that our entire policy here may be understood and the machinery of the whole country placed in working order and the beneficial results of American military occupation and government made apparent in the shortest possible time.

I am enclosing, for the information of the Department, copies of Captain Knapp's communication to me in regard to his proclamation; my reply to this communication; and copies in English and Spanish of the proclamation.

I have [etc.]

JOHN BREWER

[Inclosure 1]

Captain Knapp to Mr. Brewer

U. S. S. *Olympia*,
Santo Domingo, November 29, 1916.

SIR: I enclose copies of a Proclamation of Occupation and Military Government in the Republic of Santo Domingo by the forces under my command.

I request that you will bring this proclamation to the notice of the proper authorities of the Dominican Government.

The hour set for making the proclamation effective is —.

I have [etc.]

H. S. KNAPP

[Subinclosure]

Proclamation of Occupation and Military Government

PROCLAMATION

Whereas, a treaty was concluded between the United States of America and the Republic of Santo Domingo on February 8, 1907, Article III of which reads:

"Until the Dominican Republic has paid the whole amount of the bonds of the debt its public debt shall not be increased except by previous agreement between the Dominican Government and the United States. A like agreement shall be necessary to modify the import duties, it being an indispensable condition for the modification of such duties that the Dominican Executive demonstrate and that the President of the United States recognize that, on the basis of exportations and importations of the like amount and the like character during the two years preceding that in which it is desired to ~~make~~ such modification, the total net customs receipts would at such altered

rates of duties have been for each of such two years in excess of the sum of \$2,000,000 United States gold"; and

Whereas, the Government of Santo Domingo has violated the said Article III on more than one occasion; and

Whereas, the Government of Santo Domingo has from time to time explained such violation by the necessity of incurring expenses incident to the repression of revolution; and

Whereas, the United States Government, with great forbearance and with a friendly desire to enable Santo Domingo to maintain domestic tranquillity and observe the terms of the aforesaid treaty, has urged upon the Government of Santo Domingo certain necessary measures which that Government has been unwilling or unable to adopt; and

Whereas, in consequence domestic tranquillity has been disturbed and is not now established, nor is the future observance of the treaty by the Government of Santo Domingo assured; and

Whereas, the Government of the United States is determined that the time has come to take measures to insure the observance of the provisions of the aforesaid treaty by the Republic of Santo Domingo and to maintain the domestic tranquillity in the said Republic of Santo Domingo necessary thereto;

Now, therefore, I, H. S. Knapp, Captain, United States Navy, commanding the Cruiser Force of the United States Atlantic Fleet, and the armed forces of the United States stationed in various places within the territory of the Republic of Santo Domingo, acting under the authority and by the direction of the Government of the United States, declare and announce to all concerned that the Republic of Santo Domingo is hereby placed in a state of Military Occupation by the forces under my command, and is made subject to Military Government and to the exercise of military law applicable to such occupation.

This military occupation is undertaken with no immediate or ulterior object of destroying the sovereignty of the Republic of Santo Domingo, but, on the contrary, is designed to give aid to that country in returning to a condition of internal order that will enable it to observe the terms of the treaty aforesaid, and the obligations resting upon it as one of the family of nations.

Dominican statutes, therefore, will continue in effect in so far as they do not conflict with the objects of the Occupation or necessary regulations established thereunder, and their lawful administration will continue in the hands of such duly authorized Dominican officials as may be necessary, all under the oversight and control of the United States Forces exercising Military Government.

The ordinary administration of justice, both in civil and criminal matters, through the regularly constituted Dominican courts will not be interfered with by the Military Government herein established; but cases to which a member of the United States Forces in Occupation is a party, or in which are involved contempt or defiance of the authority of the Military Government, will be tried by tribunals set up by the Military Government.

All revenue accruing to the Dominican Government, including revenues hitherto accrued and unpaid—whether from customs duties under the terms of the Treaty concluded on February 8, 1907, the Receivership established by which remains in effect, or from internal revenue—shall be paid to the Military Government herein established, which will, in trust for the Republic of Santo Domingo, hold such revenue and will make all the proper legal disbursements therefrom necessary for the administration of the Dominican Government, and for the purposes of the Occupation.

I call upon the citizens of, and residents and sojourners in, Santo Domingo to cooperate with the Forces of the United States in Occupation to the end that the purposes thereof may promptly be attained, and that the country may be restored to domestic order and tranquillity and to the prosperity that can be attained only under such conditions.

The Forces of the United States in Occupation will act in accordance with military law governing their conduct, with due respect for the personal and property rights of citizens of, and residents and sojourners in, Santo Domingo, upholding Dominican laws in so far as they do not conflict with the purposes for which the Occupation is undertaken.

H. S. KNAPP,

*Captain United States Navy, Commander Cruiser Force,
United States Atlantic Fleet*

U. S. S. "OLYMPIA," FLAGSHIP,
SANTO DOMINGO CITY, R. D.
November 29, 1916.

[Inclosure 2]

*Mr. Brewer to Captain Knapp*AMERICAN LEGATION,
Santo Domingo, November 29, 1916.

SIR: I have the honor to acknowledge receipt of your communication of even date herewith, enclosing copies of a Proclamation of Occupation and Military Government in the Republic of Santo Domingo by the Forces under your command.

In pursuance to the request therein contained I have immediately brought this proclamation to the attention of the proper authorities of the Dominican Government, in an entirely unofficial manner.

I have [etc.]

JOHN BREWER

File No. 839.00/1963

The Secretary of State to Minister Russell

[Telegram]

DEPARTMENT OF STATE,
Washington, December 9, 1916, 6 p. m.

Dominican Minister Perdomo presented to Department on December 6 [4?] note of protest against action of United States based on Knapp's proclamation.

Protest founded on four points:

(1) That United States had always recognized sovereignty of Dominican Republic;

(2) That if Dominican Republic had increased internal debt contrary to Convention, United States should have resorted to legal means;

(3) That United States had no right to interfere in domestic unrest in Dominican Republic;

(4) That no state of war existed between United States and Dominican Republic.

Note ends by stating that United States has violated international law and principles of Pan Americanism and that Dominican Republic will reserve its rights which it will vindicate at proper time.

Endeavor to ascertain at earliest possible moment if such instruction, or any instruction to make protest, was sent Perdomo by Henríquez or any member of his government.

Reply by cable.

LANSING

File No. 839.00/1964

Minister Russell to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Santo Domingo, December 11, 1916, 3 p. m.

Arrived this morning, everything quiet.

Your December 9, 6 p. m. Dominican Minister for Foreign Affairs telegraphed Dominican Minister at Washington November 30 to protest officially to Department of State and foreign missions action American Government.

Captain Knapp has placed officers in various departments to transact official business.

RUSSELL

File No. 839 00/1967

AMERICAN LEGATION,
Santo Domingo, December 14, 1916. 2 p. m.

Since my arrival I have been impressed with manner in which the people have accepted the new order of things. Disappointed petty politicians are the only people dissatisfied. I am convinced that the present military government or a *de facto* government with an American governor supported by the military should go right ahead for a year at least working out complete reforms necessary with the voluntary aid of patriotic Dominicans. At the end of this time if it has been shown that the country is in a position to have *de facto* government presided over by a junta of the best native element then this could be done and after a period of trial for this junta the country should be ready for elections, then proceed with elections for president. There is nothing to fear from this program above outlined, for it is what the country needs and expects. To proceed with any elections now would be disastrous as the country is not ready for this and will never be ready until some form of registration is inaugurated and an intelligent electoral law is in operation. Censorship of the press has produced excellent effect and should be continued for a while at least.

RUSSELL

File No. 839.00/1967

The Secretary of State to Minister Russell

[Telegram]

DEPARTMENT OF STATE,
Washington, December 20, 1916, 6 p. m.

Your December 14, 2 p. m. Department gratified at information transmitted. It is considered advisable that military government continue. Department concurs with your views as to elections. Position of Legation should be practically same as before proclamation of military government, and it should be understood that it is civil representative of American Government in Santo Domingo, and will advise on all points with military government, which is carrying on the government for the Republic. Department relies upon your ability and tact to meet conditions and is confident that cooperation between yourself and Captain Knapp will be perfect.

LANSING

FINANCIAL AFFAIRS—ASSUMPTION BY THE UNITED STATES OF CONTROL OF DOMINICAN FINANCES; PROTEST BY THE DOMINICAN GOVERNMENT.¹⁰

File No. 839.51/1745

Minister Russell to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Santo Domingo, May 29, 1916.

Referring to your No. 139 of September 17 last,¹¹ I think time is opportune for enforcing our interpretation of Article 3 of the Con-

¹⁰ Continued from For. Rel. 1915, pp. 297-339.

¹¹ For. Rel. 1915, p. 321.

vention by restoring financial control. If the Department instructs, I will address a communication to the Council of Ministers in above sense, and if negative reply results we are in position to enforce. Receivership might be instructed to collect all revenues, both customs and internal, and act as disbursing officer of the Dominican Republic, complying with provisions of budget. Question of the constabulary could be taken up later, as well as all other proposed amendments to the Convention as outlined in No. 139. Several members of Congress have approached me in the last few days and indicated willingness to come to a frank and clear understanding with our Government in each case, what we want and what we could offer in return. If all our reform proposals are embodied in a treaty, we might include control of telegraph and telephones, Puerto Plata Railway, naval base in Samaná Bay, and, in return, financial aid for canceling debt.

RUSSELL

File No. 839.00/1847

The Acting Secretary of State to Minister Russell

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, June 3, 1916.

Regarding your recommendation to appoint financial controller, whom have you in mind? Would it not be well for Receivership to act for the time being, as proposed in your May 29?

POLK

File No. 839.00/1853

Minister Russell to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Santo Domingo, June 5, 1916.

Referring to the matter of financial control urged in my telegram of May 29, I had in mind Receivership for this until definite arrangement could be made.

I have sent a communication to the Council of Ministers to the effect that financial control will be established at once, and I request suitable instructions be sent to the Receivership from the War Department covering this point as well as collection of internal revenue and to act as disbursing officer Dominican Government.

RUSSELL

File No. 839.51/1751

[Telegrams]

AMERICAN LEGATION,
Santo Domingo, June 9, 1916.

My telegram of June 5. Absolutely urgent to have answer in regard to financial control and collection internal revenue. In my note to Council of Ministers I stated that we would immediately establish control of all the financial arrangements of the Dominican

Republic through the Receivership; but Receiver must have instructions. In view of insufficiency of force in Receivership, it can detail Edwards, former deputy Receiver General, to this work until a definite arrangement is made. Edwards is an excellent man and his services should be availed of in this emergency.

RUSSELL

File No. 839.51/1753

AMERICAN LEGATION,
Santo Domingo, June 17, 1916.

Minister of Finance states that he cannot give authority to Receiver for collection of internal revenue, and Council of Ministers protest categorically against control of finances as established by us.

RUSSELL

File No. 839.51/1754

AMERICAN LEGATION,
Santo Domingo, June 20, 1916.

Receivership has taken charge controllership and organization being arranged for collection internal revenue. No obstacles have yet been placed by Government in the way of carrying out this reform. Important to have Edwards take charge at once. Minister of Finance has resigned.

RUSSELL

File No. 839.51/1763

Minister Russell to the Secretary of State

No. 106

AMERICAN LEGATION,
Santo Domingo, June 24, 1916.

SIR: I have the honor to enclose herewith copies and translations of the answers to my two notes to the Council of Ministers in regard to control of all the Dominican finances by the General Receivership of Dominican Customs.

In this connection I have to advise the Department that the General Receiver has appointed Mr. J. H. Edwards to the new post of Controller and Disbursing Agent, and he takes charge on Monday. The control commenced to be effective on the 16th of this month, and no difficulty has been experienced so far in taking over the various branches of the service in connection with this change.

I have [etc.]

WILLIAM W. RUSSELL

[Inclosure 1—Translation]

The Minister for Foreign Affairs to Minister Russell

No. 146

DEPARTMENT OF STATE OF FOREIGN RELATIONS,
Santo Domingo, June 6, 1916.

MR MINISTER: I refer to your excellency's note of the 5th instant in which you inform me through the Council of Ministers that the Government of the United States, by virtue of the rights granted to it in Article III of the Dominican-American Convention of 1907, will proceed at once to establish control of all Dominican finances, giving provisional charge of that function to the General Receiver of Dominican Customs,

In my note No. 582, Book B, of December 8, 1915, in answer to your excellency's No. 14 of November 19 of the same year,¹² I stated to your excellency that the Dominican-American Convention does not grant, in Article III nor in any other, the right to create American control of Dominican revenues. This truth was recognized by the Government of the United States when it agreed with a Commission sent by the Dominican Government in suppressing the control which it established in the latter part of the administration of President Bordas.¹³

The Council of Ministers considers, moreover, that matters of this kind, foreign to administrative routine, should be postponed until the Executive Power recovers its normal aspect in the Republic.

I avail [etc.]

B. PICHARDO

[Inclosure 2—Translation]

The Council of Ministers to Minister Russell

COUNCIL OF MINISTERS OF STATE
CHARGED WITH THE EXECUTIVE POWER,
Santo Domingo, June 16, 1916.

MR. MINISTER: The Council of Ministers of State acknowledges the receipt of your excellency's communication No. 64 of the 16th instant, and in reply expresses to you in the most categorical manner its protest against the violation of law implied by the notice your excellency transmits to it to the effect that, beginning today, the General Receivership of Customs has taken charge of the collection of all revenues of the Dominican Government, customs as well as internal, and will begin today to act as Disbursing Agent of the Republic in accordance with the provisions of the current budget.

The Dominican-American Convention of February 1907 expresses clearly the attributes which according to its terms belong to the two high contracting parties, and from its provisions cannot be deduced in any form whatever the right now attributed by the Government of the United States to it as against the Dominican Republic.

The Council of Ministers reiterates in all its terms the note No. 146 of the Department of State of Foreign Relations, dated June 6, 1916, and cannot close this note without expressing to the Minister of the United States the painful surprise which his note No. 64 of to-day has caused it.

With sentiments [etc.]

JAIME MOTA
*Secretary of Agriculture and Immigration,
and temporarily of Interior and Police*

J. M. JIMENES
*Secretary of Finance and Commerce
and temporarily of War and Marine*

FEDERICO VELASQUEZ
Secretary of Fomento and Communications

B. PICHARDO
*Secretary of Foreign Relations, and temporarily
of Justice and Public Instruction*

File No. 839.51/1788

Minister Russell to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Santo Domingo, August 18, 1916.

I have advised General Receiver to suspend at once all disbursements Dominican funds until a complete understanding is reached in regard to interpretation of certain articles of the Convention or until this Government is amicable. I deem this measure necessary in

¹² Inclosures with Mr. Russell's No. 30 of Dec. 9, 1915; For. Rel. 1915, p. 332.

¹³ Note to Dominican Legation, June 8, 1915, and instruction to Mr. Johnson, June 26, 1915; For. Rel. 1915, pp. 311 and 313.

order to show seriousness of our intention. Active preparations are being made throughout the country for the election of delegates to constitutional assembly and the decree calling this assembly is clearly unconstitutional. As we are to insist on our interpretation of the Convention as to control and constabulary, advisable to formulate all other reforms we consider necessary other than those outlined in your No. 139 of September 17, 1915, and some proposal in regard to Samaná Bay, and it is also absolutely essential to the progress of the Republic that some safe land title law be enacted.

RUSSELL

File No. 839.51/1791

AMERICAN LEGATION,
Santo Domingo, September 14, 1916.

The President is willing to promulgate the following decree in regard to finances:

Whereas from June 16 of this year the Government of the United States of America assumed charge of the collection of the fiscal rents known as internal revenue and placed this collection in the hand of the General Receivership of Customs, which has since then exercised this function;

Whereas any obstruction to the General Receivership of Customs in the above-mentioned function might, in addition to producing disorganization of the service and a reduction of the rents, cause friction which would impede an understanding with the American Government:

By virtue of the power conferred upon me by Inserts 4 and 5 of Article 53 of the Constitution, I decree:

Article 1. All the chiefs and other employees of the offices that collect the fiscal rents known as internal revenue shall, for a term of six months counting from this date, deliver the proceeds of their collections to the General Receivership of Customs of the Republic, and cooperate with it for a better organization of the service of collection, supplying it with all means of investigation conducive to a full observance of the laws.

Article 2. No payment from the proceeds of the internal revenue nor from the payment belonging to the Dominican Government of the customs collection, in accordance with the provisions of the Dominican-American Convention of 1907, as well as any other application of the internal or customs revenues, shall be made by the General Receivership of Customs except by order of the Dominican Government in conformity with the budget law or any other laws of the Dominican Republic passed by the National Congress.

RUSSELL

File No. 839.51/1791

The Secretary of State to Minister Russell

[Telegram]

DEPARTMENT OF STATE,
Washington, September 21, 1916.

Your September 14. Department considers President's proposals regarding finance and constabulary in most part unsatisfactory, and has formulated tentative counter propositions. Before their submission, however, your opinion is desired as to whether such reforms would best be effected and prove binding upon future governments by means of (1) Presidential decree containing stipulation of ultimate submission to Congress, or (2) by submission first to Congress as amendment to present Convention. In case latter appears desirable, how soon may Congress be assembled?

Your August 18. Would constitutional assembly, if called, necessarily conflict with such congressional action?

LANSING

File No. 839.51/1795

Minister Russell to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Santo Domingo, September 25, 1916.

Your September 21, in regard to financial control and constabulary. The surest way to make them binding would be as amendments to the Convention. Congress is still in session but in recess and it would be a difficult matter to get them together, in the first place because they would not be paid and also for the reason that they would probably not assemble to approve any reforms suggested by us. Constitutional Assembly is due to meet very soon, and if it reforms the Constitution and a new electoral law is approved, the present Congress would be abolished. The terms of four Senators and twelve Deputies who are mostly followers of Arias expire December 1; these are striving for reelection and it is asserted that the present election has been called to fill these vacancies. On account of alleged unconstitutionality of decree calling Constitutional Assembly, some legal proceedings are to be begun to prevent it from assembling. Constitutional Assembly is plainly a measure of the Horacio Vasquez party to suit their own political ends. Political conditions of the country are chaotic and until all the points at issue are cleared up we cannot tell where to look for support of our policy. The President is evidently scheming to be continued in power for the remainder of the term of Jiménez: four years. I am inclined to think that nothing can be done here until we serve an ultimatum on this Government giving a certain period for putting into binding effect reforms proposed and, if nothing results, take charge ourselves until the country is pacified. I think the Department should send as soon as possible counter proposition to be submitted.

RUSSELL

File No. 839.51/1795

The Secretary of State to Minister Russell

[Telegram]

DEPARTMENT OF STATE,
Washington, September 30, 1916.

Your September 25. Department would give consideration to decrees along lines of following:

RURAL GUARD

Article 1. For purposes of preserving the domestic peace, for the security of individual rights in the Dominican Republic, and for the better observance of the Convention of 1907 between the United States and the Dominican Republic, the rural guard of Santo Domingo shall constitute the sole military and police force of the Republic. It shall be placed under the control, and subject to the direction of the President of the Republic.

Article 2. Upon request of the President of the Republic, the President of the United States will submit to him for appointment the names of an American officer to command the rural guard and of an adequate number of American officers to aid such commandant in the organization and command of the guard.

Article 3. Such officers and enlisted men and such regulations as to pay, personnel, enlistment, appointment, discipline, etc., as the commandant may recommend shall be duly authorized, ratified and promulgated by the Government of the Republic. Should an agreement fail to be reached regarding any question of the regulations provided in this article, such question shall be submitted to the President of the United States for decision.

Article 4. The rural guard shall have the supervision and control of arms, ammunition, military supplies and traffic therein throughout the Republic.

Article 5. The reorganization of the rural guard as hereinbefore provided shall be commenced within one month of the promulgation of this decree.

FINANCIAL CONTROL

Article 1. The collection of internal revenues and revenues accruing to the Government from all other sources shall be placed under the General Receiver of Customs, under the regulation at present in force governing the collection of customs duties.

Article 2. No payment from the revenues belonging to the Dominican Government shall be made by the General Receiver of Customs except by order of the Dominican Government in conformity with the budget law or other law of the Dominican Government.

Should President incline to these views, he might enlist popular support by publication thereof. If not, and should other methods fail, discreet publication by you might prove advantageous.

LANSING

File No. 839.51/1812

The Chief of the Bureau of Insular Affairs to the General Receiver of Customs

[Telegram]

WAR DEPARTMENT,
Washington, December 2, 1916.

It is desired that you place yourself at the disposition of the military government. All funds heretofore paid to Dominican Government will be disbursed on order of military government. It is understood that Edwards will supervise these disbursements and it is suggested that disbursements be made in accordance with the last recognized budget, though in this matter your office will operate subject to orders of the military government.

McINTYRE

File No. 839.00/1968

Clerk Brewer, in charge of the Legation archives, to the Secretary of State

[Extract]

No. 143

AMERICAN LEGATION,
Santo Domingo, December 6, 1916.

SIR: I have the honor to report that the declaration of military occupation of the Dominican Republic by the forces of the United States, and the establishment of military government set forth in the proclamation issued by Captain Knapp on November 29, 1916,¹⁴ was received quietly and with a general feeling of satisfaction that some definite and determined step had been taken by our Government.

¹⁴ See Political affairs, ante, p. 246.

* * * Payments under the budget were resumed by the Receiver-ship on December 2, salaries pending for June and July, for various reasons, being cleared up. Mr. Edwards has kept his work so well in hand that he expects to carry through payments from August to December by the first week of December. The resumption of payments and their uninterrupted continuation will act as a large factor in gaining the cooperation and good will of the Dominican people. * * *

I have [etc.]

JOHN BREWER

ECUADOR

TREATY FOR THE ADVANCEMENT OF GENERAL PEACE, CONCLUDED BETWEEN THE UNITED STATES AND ECUADOR

Signed at Washington, October 13, 1914; ratification advised by the Senate, October 20, 1914; ratified by the President, January 4, 1916; ratified by Ecuador, November 10, 1915; ratifications exchanged at Washington, January 22, 1916; proclaimed, January 24, 1916.

Treaty Series No. 622]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas a Treaty between the United States of America and the Republic of Ecuador looking to the advancement of the cause of general peace, was concluded and signed by their respective Plenipotentiaries at Washington on the thirteenth day of October, one thousand nine hundred and fourteen, the original of which Treaty, being in the English and Spanish languages, is word for word as follows:

The Governments of the United States of America and of the Republic of Ecuador, being desirous of once more contributing to the consolidation of their traditional policy of peace and amity and also to advance the diffusion of the spirit of universal peace, have resolved to enter into a special treaty and to that end have appointed as their plenipotentiaries:

The President of the United States of America: The Honorable William Jennings Bryan, Secretary of State; and

The President of the Republic of Ecuador: Señor Dr. Don Gonzalo S. Córdova, Envoy Extraordinary and Minister Plenipotentiary of the Republic of Ecuador to the United States of America;

Who, after having communicated to each other their respective full powers, found to be in proper form, have agreed upon the following articles:

ARTICLE I

The High Contracting Parties agree that all disputes between them, of every nature whatsoever, to the settlement of which previous arbitration treaties or agreements do not apply in their terms or are not applied in fact, and which it has not been possible to adjust through diplomatic methods, be referred for investigation and report to an International Commission to be constituted in the manner prescribed in the following article. And they further agree not to declare war or commit any act of hostility against each other, during such investigation and before the report is submitted.

ARTICLE II

The International Commission mentioned in the preceding article shall be composed of five members, to be appointed as follows: Each Government shall appoint two members, one of whom shall be a citizen of the country whose government appoints him, and the other a citizen of some third country; the fifth member shall be chosen by common agreement between the two Governments, it being understood that he shall not be a citizen of either of the two contracting countries. In case of disagreement regarding the appointment of the fifth member, the two Governments shall request the President of the Swiss Confederation to choose such member. Said fifth member shall be of right the President of the International Commission.

Each Government shall have the right to revoke the appointment of either or both of the members chosen by it, at any time before the investigation is begun, but must appoint his or their successors at the time his or their appointments are revoked. If the fifth member be chosen by common agreement between the High Contracting Parties, they may also at any time before the investigation is begun, withdraw their approval, but shall in such case come to an agreement within the next thirty days as to the appointment of a successor or request the President of the Swiss Confederation to make such appointment. Vacancies due to other causes than those enumerated in this article shall be filled in the manner established for the original appointment, and the new appointments shall not be delayed more than fifteen days from the date on which notice of the vacancy was received. The International Commission shall organize within six months after the exchange of the ratifications of this treaty, and shall report its organization to both Governments on the same date. It shall prescribe the rules of practice to be observed in the discharge of its mission, and shall also designate the place where the investigations are to be conducted. The expenses of the Commission and the compensation of its members shall be paid by the two contracting Governments in equal proportion.

ARTICLE III

In case the High Contracting Parties shall have failed to adjust their disputes by diplomatic methods, they shall at once be referred to the International Commission for investigation and report, and either of the two interested governments may make the respective reference. The High Contracting Parties agree to furnish the International Commission with all the facilities which it requires for the proper discharge of its trust, and it shall complete its investigation and submit its report within a period of one year from the date on which it shall declare its investigation to have begun. If for reasons of *force majeure* it shall not have found it possible to complete its investigation or submit its report within the said period, it may be extended for six months more, if the High Contracting Parties agree in this respect. Upon the submission of its report by the International Commission, or if for any reason whatsoever no report is submitted within the term fixed in this article, the High Contracting Parties reserve the right to act in the subject matter of the investigation and report as their respective interests may demand.

ARTICLE IV

The present treaty shall be ratified by the respective Governments in accordance with the provisions of their respective constitutions, and the ratifications shall be exchanged as soon as possible.

This treaty shall continue in force for five years from the date of the exchange of ratifications and if notice of an intention to terminate it is not given by one of the Contracting Parties to the other one year before the termination of this period, it shall be considered as renewed for another year, and so on successively. A strict and faithful observance of the preceding article is entrusted to the honor of the signatory nations.

In witness whereof the respective plenipotentiaries have signed the present treaty and have affixed thereunto their seals.

Done in Washington on the 13th day of October, in the year of our Lord nineteen hundred and fourteen.

[SEAL]
[SEAL]

WILLIAM JENNINGS BRYAN
G S CORDOVA

And whereas the said Treaty has been duly ratified on both parts, and the ratifications of the two Governments were exchanged in the City of Washington, on the twenty-second day of January, one thousand nine hundred and sixteen;

Now, therefore, be it known that I, Woodrow Wilson, President of the United States of America, have caused the said Treaty to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twenty-fourth day of January in the year of our Lord one thousand nine hundred and sixteen, and of the Independence of the United States of America the one hundred and fortieth.

[SEAL]

WOODROW WILSON

By the President:

ROBERT LANSING,
Secretary of State

PROTECTION OF CHINESE INTERESTS IN ECUADOR BY THE
AMERICAN LEGATION

File No. 322.93/19

The Secretary of State to Minister Hartman

[Telegram]

DEPARTMENT OF STATE,
Washington, September 12, 1916, 4 p. m.

The Chinese Legation informs Department that it is in receipt of telegram from Chinese Benevolent Association at Guayaquil dated September 8, stating that a law had been presented in the Ecuadorian Congress to place a tax of 1000 sucres annually on all members of Chinese colony in Ecuador. Legation requests good offices

of Department in this matter. You may investigate this and should you consider it advisable you may use your informal good offices with the Government on behalf of the Chinese in Ecuador.

LANSING

CLAIMS OF THE GUAYAQUIL & QUITO RAILWAY COMPANY AGAINST ECUADOR.—DENIAL BY ECUADOR OF PROPRIETY OF DIPLOMATIC INTERVENTION BY THE UNITED STATES.¹ FAILURE OF LOAN NEGOTIATIONS OF ECUADOR.

File No. 422.11G93/824

The Secretary of State to Minister Hartman

No. 101

DEPARTMENT OF STATE,
Washington, January 11, 1916.

SIR: The Department has received your confidential despatch No. 145, of October 19, 1915,² transmitting copies of the resolutions passed by the Ecuadorean Congress, declaring that arbitration of the Guayaquil and Quito Railway case has been canceled and instructing the defensor fiscal to take legal action against the company. You also enclose copies of your note of October 13, 1915, to the Foreign Office, and other documents relating to the matter.

The Department approves your action in addressing a note of protest to the Foreign Office and making personal representations to President Plaza, with a view to protesting the rights of the company.

I am [etc.]

For the Secretary of State:
JOHN E. OSBORNE

File No. 422.11G93/830

Minister Hartman to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Quito, January 11, 1916, 4 p. m.

Referring to my cable of October 28, 10 a. m.³ I am informed by the president of the Guayaquil & Quito Railway Company that negotiations for private settlement of differences with Ecuadorean Government have failed.

HARTMAN

File No. 422.11G93/835

Minister Hartman to the Secretary of State

No. 161

AMERICAN LEGATION,
Quito, January 11, 1916.

SIR: Referring to my No. 153 of December 5, 1915,⁴ in partial answer to Department's No. 83 of October 23, 1915,⁵ I now have the honor to complete my answer to Department's said No. 83 by transmitting herewith copies of my note No. 162 of November 24, 1915, to

¹ Continued from For. Rel. 1915, pp. 340-372.

² For. Rel. 1915, p. 361.

³ Id., p. 364.

⁴ Id., p. 368.

the Minister for Foreign Affairs, and copies of the Minister's note No. 266 dated December 28, 1915, (with translation) in reply thereto.

The Department will observe from the note of the Minister for Foreign Affairs that he not only again raises the question of the right of the Government of the United States to diplomatically intervene in such questions as this one, but also protests against the repeated interventions by our Government on behalf of the Guayaquil & Quito Railway Company on similar matters.

Upon receipt of instructions on the questions raised by the Minister for Foreign Affairs, I will answer his note.

I have [etc.]

CHAS. S. HARTMAN

[Inclosure 1]

Minister Hartman to the Minister for Foreign Affairs

No. 162

AMERICAN LEGATION,
Quito, November 24, 1915.

MR. MINISTER: In compliance with an instruction from my Government, I have the honor to bring to the attention of your excellency's Government a certain Executive decree of His Excellency the President of Ecuador dated July 13, 1915, wherein the issuance of three hundred thousand sucres of Treasury warrants, to be received in payment of export duties, was authorized. Inasmuch as the decree in question constitutes a further impairment of the customs receipts of Ecuador, and diverts a part thereof from the service of the railway bonds, which are entitled to a first charge on all customs receipts, I respectfully present to your excellency's Government the protest of the Guayaquil & Quito Railway Company against said decree.

I avail [etc.]

CHAS. S. HARTMAN

[Inclosure 2—Translation]

The Minister for Foreign Affairs to Minister Hartman

No. 266

MINISTRY OF FOREIGN AFFAIRS,
Quito, December 23, 1915.

MR. MINISTER: I have the honor to acknowledge receipt of your excellency's note No. 162 [etc.]

My Government has not recognized and has not considered the possibility of recognizing, under present conditions, as legitimate the attorneyship of the Government of the United States in representation of the Guayaquil & Quito Railway Company; it regards each one of the protests of your excellency's Government on account of said company's affairs as foreign to the friendly relations which, in other fields, said Government cultivates with that of Ecuador, and regrets that it is obliged—with a frequency improper to the governments of nations for whose harmonious and tranquil relations all sensible men of both countries strive or ought to strive—to elude in the field of diplomacy an intervention detrimental not only to friendship between brother peoples—with higher interests to respect and even to defend than those which today occasion your excellency's protests—but also to our rights of sovereignty, which the Government of the United States recognizes by the mere fact of having furnished your excellency with credentials as its diplomatic representative to the Government of Ecuador.

An example by no means favorable to the interests of the United States in the South American continent, it seems to me, is this constant pressure that a foreign company through a powerful government brings to bear upon the dignity and life of an honorable and justice-loving but relatively weak people. Such a case as ours, which will perforce become notorious, is not in my judgment a fit example to set before the nations of a continent in which it is proposed to develop a vast plan of industrial and economic progress on the basis of capital from the United States.

"We must regulate our conduct," said Mr. Wilson, the present President of the United States, on November 4, 1912, on closing his presidential campaign, "We must regulate our conduct by the rules of justice, liberality and good-will; think of the progress of mankind rather than of the progress of this or that unit; of the protection of American honor and the advance of American ideals rather than of American contracts; and we must place our diplomacy on the plane on which great thinkers are anxious to place humanity."

Either there are diverse standards by which to determine the sense of words and expressions or the great statesman of the United States who pronounced these admirable words and who today presides over the destinies of a great people is unaware that there is another nation, in South America, that knows those words by heart and contemplates with painful surprise the extent to which the beautiful inspiration of one who is getting ready to govern differs from the act of the ruler when he has to yield to the pressure of private interests which are opposed to the ideals of the statesman and stifle the general and permanent interests of his country.

Ecuador has not been able to obtain the application of justice to the matter of settling its accounts with the Guayaquil & Quito Railway Company. Thus far it has not been possible to find a judge to do justice therein. My Government has twice tried to establish the arbitration tribunal which, according to the contracts, should make the award in respect to the dispute between the parties; and twice that arbitration has failed. My Government solemnly declared its absolute inculpability respecting both failures. The successively appointed American arbitrators, Messrs. Janes and Miller, could not come to an understanding with the Ecuadorian arbitrator, even although there was appointed to that office one of the most eminent, calm and tractable juriconsults of the Republic. My Government solemnly declared that it had never authorized the prior contract the violation of which is imputed to Ecuador and which is blamed for the failure of the second arbitration.

Liberality has not existed on the part of the Government of His Excellency President Wilson, toward Ecuador. Ecuador has demanded of the United States nothing but justice, the justice of not sheltering the American contracts of the Guayaquil & Quito Railway Company to the prejudice of the honor of an American nation and the advance of American ideals, which honor and ideals Ecuador entertains with as legitimate a right as that of the United States.

If good will is indispensable in order that we may be heard, we demand it in the name of American honor and ideals, in order to reach a solution that shall forever extinguish the disagreements which today exist between your excellency's Government and mine, to the prejudice of that honor and those ideals.

I have already had occasion to express to your excellency the exceeding good will of all Ecuadorians toward increase of all kinds of relations with the United States. To that end we ask of the United States nothing more than to proceed in a way that will not wound our national dignity.

Meanwhile let there be recorded our solemn and energetic yet respectful protest against the repeated interventions of your excellency's Government in behalf of the Guayaquil & Quito Railway Company, the representation of which on the part of your excellency's Government in the present case—which is different from those contemplated by international law as warranting diplomatic intervention—my Government cannot recognize.

This being understood, and in order that your excellency may be informed of the opinion of the Minister of Finance, I have the honor to enclose herewith a copy of the official note he has addressed to me on the subject of your excellency's note under acknowledgment.

I avail [etc.]

R. H. ELIZALDE

[Subinclosure—Translation]

The Minister of Finance to the Minister of Foreign Affairs

No. 192

MINISTRY OF FINANCE,
Quito, December 20, 1915.

MR. MINISTER: I have the honor of acknowledging receipt of your note No. 201 in which you quote the communication of his excellency the American Minister, who in compliance with instructions from his Government protests [etc.]

I have reason to believe that you will give this protest an able and patriotic answer, but it will nevertheless be allowable to request you to take into account in your reply the following considerations suggested to me on reading the American Minister's note.

1. As an official of the Government of Ecuador I cannot see by what right the Government of the United States believes itself entitled to protest to our Government regarding acts of internal administration that have nothing to do with the international relations of the United States; especially since the Executive decree that has occasioned the protest reads in its pertinent part as follows:

The payment of the aforesaid vouchers is guaranteed by the duties on the exportation of cacao through the Guayaquil custom house, in the free part to which the Treasury is entitled and which at present enters the common funds.

2. That Guayaquil & Quito Railway Company, in whose name the protest has been made, has no claim of any kind upon the revenues of the Ecuadorian State.

3. If the Government of Ecuador had believed that the disagreements with the Guayaquil & Quito Railway Company could have been settled by the intervention of the Government of the United States it would have presented its protests to that Government from the time when the Company began the construction work of the railway from Guayaquil to Quito, on account of the Company's failure to comply with almost all the obligations contracted with the Government of Ecuador.

4. It is the Government of Ecuador that is entitled to protest—daily, constantly—on account of the faults of the Guayaquil & Quito Railway Company as constructor, administrator and operator of the railroad. For that purpose it would have been sufficient to recall some of the irregularities denounced by the Government auditor in his reports; it would have mentioned, for example, the organization of another company which, under the name of the Ecuador Express Company and with a personnel composed of some of the high officials of the Guayaquil & Quito Railway Company, had for its exclusive object the securing of a large part of the proceeds of the operation of the railway, to the prejudice of national interests; the diversion of large sums from the traffic receipts under the pretext of creating special funds not authorized by the contracts nor by the Government of Ecuador, such as those called "Reserve fund, Insurance, Depreciation, etc."; the inclusion within operating expenses of large sums invested in construction works which should have been effected at the proper time and with the proper funds; the diversion of funds for payments—whether real or imaginary I do not know—of taxes in the United States, to justify which obligations contracted with the Interstate Commerce Commission were alleged, the fact being that the affirmation that the Guayaquil & Quito Railway Company belonged to said association has been demonstrated to be inaccurate.

5. In the case of the hypothesis above stated, the Government would have been the one to protest against the reductions made in freights and fares to certain persons and corporations without the consent of the Government of Ecuador and without legal authority therefor. Finally, the Government would have been able to place on record its protest against the repeated irregularities of the railway's administration and traffic, so frequent up to a little while ago; against the innumerable failures to comply with the stipulations relative to the construction and operation of the line. But the Government has not protested because it believed it was not the course it should adopt; it has, rather, preferred to make use of the legal means to which it was entitled in accordance with the contracts, appealing on two occasions to arbitration, which failed through no fault of the Government of Ecuador nor of the Arbitrator appointed thereby.

In the foregoing you will find expressed my personal attitude toward this question and will make use of this note as you may deem best for the interests of Ecuador.

AGUSTÍN CABEZAS G.

File No. 422.11G93/834

Minister Hartman to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Quito, January 24, 1916.

Referring to my cable of January 11, 4 p. m. Negotiations for private settlement, resumed Saturday, resulted in agreement on tariff and various matters connected with railway administration. Other questions postponed until return of Mr. Norton who leaves for United States to-morrow. Situation encouraging.

HARTMAN

File No. 422.11G93/846

The Secretary of State to Minister Hartman

[Telegram]

DEPARTMENT OF STATE,

Washington, April 6, 1916.

Guayaquil & Quito Railway Company informs Department that Leroux has obtained private information that, in order to make report to next Congress, Railway interventor will endeavor have local court appoint receiver pending decision in suit against railway, under pretext that management of the railway is unsatisfactory and fraudulent. Discreetly investigate and report promptly by telegraph.

LANSING

File No. 422.11G93/847

Minister Hartman to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Quito, April 10, 1916.

Department's April 6. Investigation discloses that Railway interventor has stated to two reliable persons his intention to bring suit and apply for receiver to enable him to satisfy next Congress that he has obeyed resolution of last Congress. However, I am credibly informed that he stated that if Mr. Norton will consent to resume negotiations for private settlement on his return to Quito he will not take legal action. It seems advisable that Mr. Norton consent.

HARTMAN

File No. 822.51/211½a

The Acting Secretary of State to Minister Hartman

[Telegram]

DEPARTMENT OF STATE,

Washington, July 12, 1916.

Department advised that Ecuadorian Minister of Finance, recently in this country, has returned to Ecuador to obtain additional data relative to negotiation of loan with American syndicate.

While not modifying in any way attitude regarding long-standing claim against Ecuador, bondholders of Guayaquil & Quito Railway and Department are not disinclined to await result of such negotiations provided equitable settlement may be reached.

Norton sails 15th. Upon arrival of Minister of Finance discreetly endeavor to ascertain and determine attitude and good faith Ecuadorian Government in this connection.

POLK

File No. 822.51/212

Chargé Belden to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Quito, August 1, 1916.

Your July 12. Minister of Finance resumed duties a few days ago. Great reserve regarding loan negotiations is maintained.

Without definite information, I am inclined to think it is the intention of the Government to present to Congress a proposal for a loan of \$25,000,000 to pay internal debt and purchase of railway bonds. Am endeavoring to obtain information of a more definite character. Norton arrives to-morrow.

BELDEN

File No. 422.11G93/S65

AMERICAN LEGATION,
Quito, September 7, 1916.

A joint commission of Senators and Deputies has been appointed to investigate railroad matters. Mr. Norton will present railroad's case to the commission. He informs me that the new administration seems to be friendly.

BELDEN

File No. 422.11G93/S92

The Secretary of State to Minister Hartman

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, September 26, 1916.

Legation's September 12. Apparent procrastination by Ecuadorian Government appears to indicate that no definitive arrangement for loan is to be reached. Reverting to its original position, which has not in any way been altered by the hope that settlement by means of loan might be effected, this Government believes that Ecuador should resume forthwith the deposit of customs in accordance with terms of contract, which has been suspended primarily on account of financial difficulties consequent upon European war and more recently on account of loan negotiations.

You may communicate the substance of the above to the Government of Ecuador, in such manner as to leave no doubt as to the firmness and earnestness of this Government's intentions.

LANSING

File No. 422.11G93/866

Minister Hartman to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Quito, September 30, 1916.

By overwhelming vote, Ecuadorian Congress yesterday deposed Doctor Balarezo from the office of defensor fiscal, and Mr. Cervantes from the office of Government railway interventor. The Congress then named Dr. Pablo A. Vasconez as defensor fiscal and Serafin Wither as Government railway interventor.

HARTMAN

File No. 422.11G93/892

The Secretary of State to Minister Hartman

[Telegram]

DEPARTMENT OF STATE,
Washington, October 28, 1916.

Department's September 26. Report by cable present status matters referred to.

LANSING

File No. 422.11G93/893

Minister Hartman to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Quito, October 30, 1916.

Department's October 28. I had an interview with the Minister for Foreign Affairs today. He says that finances of Ecuador are improving, that customs receipts have nearly doubled since the beginning of this administration, and that the Government hopes and expects to resume deposits by January.

HARTMAN

File No. 422.11G93/894

Minister Hartman to the Secretary of State

No. 195

AMERICAN LEGATION,
Quito, November 7, 1916.

SIR: referring to the Department's telegram of September 26, I have the honor to inform the Department that on October 3 I prepared and delivered to the Foreign Office my note No. 210, copies of which are herewith enclosed.

I further have the honor to advise the Department that, upon receipt of its telegram of October 28 I called upon the Minister of Foreign Affairs and had the interview with him reported in my telegram of October 30, which telegram I now confirm.

On November 4 I received from the Minister for Foreign Affairs his note No. 48 dated November 4, 1916, in answer to my said

note of October 3, copies of which, together with translation, are herewith enclosed.

The Department will observe that the Minister for Foreign Affairs has again raised the question of the right of the United States Government to intervene in matters of this kind.

I have etc.]

CHAS. S. HARTMAN

[Inclosure 1]

Minister Hartman to the Minister of Foreign Affairs

No. 210

AMERICAN LEGATION,
Quito, October 3, 1916.

MR. MINISTER: By direction of my Government, I have the honor to inform your excellency that while it would be greatly gratified at the securing of a loan by your excellency's Government and the payment of the obligations of Ecuador to the Guayaquil & Quito Railway Company from the proceeds thereof, it nevertheless entertains the belief that present conditions appear to indicate that no definite arrangement for such a loan is to be reached. And, inasmuch as the deposits of customs receipts were suspended primarily on account of financial difficulties consequent upon European war and more recently because of loan negotiations, my Government believes and earnestly recommends that your excellency's Government should forthwith resume the deposit of customs in accordance with the terms of the existing contract.

I avail [etc.]

CHAS. S. HARTMAN

[Inclosure 2—Translation]

The Minister for Foreign Affairs to Minister Hartman

No. 48

MINISTRY FOR FOREIGN RELATIONS,
Quito, November 4, 1916.

MR. MINISTER: Causes independent of my will have prevented me up to date from answering the communication your excellency presented at this office on October 3 last, in which [etc.]

Personal considerations for your excellency, whose proper demeanor and tact this office is pleased to recognize, oblige me to answer the points treated in the said note, but to answer them only on account of said personal considerations, inasmuch as the attitude of my Government regarding the acceptance of foreign intervention of any kind in its national finances and the private contract that binds the Guayaquil & Quito Railway Company to the State has not changed nor could ever change, the note from this office No. 286 of December 28, 1915,¹ to your excellency remaining therefore in force in all its parts.

Those personal considerations and the desire to be extremely courteous to the Government so worthily represented at Quito by your excellency induce me to refer to the essence of the note in question: the special economic stress experienced by this country, first on account of the European war, which has diminished the customs receipts, second by reason of the civil war of Esmeraldas. These have induced it to consider as of primary importance its own existence and therefore to consider as principal ones its current expenses in preference to others. This was the reason for the consideration of a loan, in order to secure the means to satisfy urgent necessities and the obligations of the nation; reasons that are unnecessary to express made this negotiation difficult.

After the change of government, the Esmeraldas revolution having been ended and a new, reasonable and economical budget having been prepared, which will be in force after January 1, 1917, it is very probable, as your

¹ Printed, ante, p. 261.

excellency is well aware, that the economic situation will be adjusted without having to apply for a loan; and when this occurs Ecuador will be able fully to meet its obligations. This is what my Government desires; the President and his Cabinet are thoroughly committed to it, and I hope that this intention will be realized to the satisfaction of all those who have an interest in the national revenues.

I so answer the note under acknowledgement, and
I avail [etc.]

TOBAR Y BORGOÑO

File No. 422.11G93/894

The Secretary of State to Minister Hartman

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, December 14, 1916.

Your October 30, and No. 195 of November 7. President of Guayaquil & Quito Railway Company has presented certified statement to Department informing it that, owing to great cost of coal and unfavorable exchange, railroad cannot pay interest on prior lien bonds in January, as it did for the last year. Railroad desires that some intimation be given to Government of Ecuador by Legation to the effect that Government of the United States considers it would be most unfortunate if payment of interest on prior lien bonds should go by default and would view with great gratification the payment by the Ecuadorian Government of this interest. The Department wishes you to use your judgment in presenting this matter to the Ecuadorian Government.

LANSING

File No. 422.11G93/890

The Secretary of State to Minister Hartman

[Telegram]

DEPARTMENT OF STATE,
Washington, December 31, 1916.

Department has received no reply to its December 14.

Department now informed by representative council foreign bondholders that council has received report to effect Government of Ecuador intends to repudiate contract of September 30, 1908, and all indebtedness due on bonds of railway, which amounts to eight unpaid coupons; and that council is also advised that proposed repudiation is supported by President of Ecuador and Finance Minister but that no official announcement will be made until action pending by bondholders against Speyer & Co. for recovery of certain funds has been concluded.

Discreetly investigate and inform Department if there is any foundation for this report.

Representative bondholders further advises Department that largest holder prior lien bonds of Guayaquil & Quito has notified railway company that unless interest due January 1 is paid foreclosure proceedings will be commenced; also states that this action would put 5% bonds in serious situation and would probably result in destruction of American company and interests.

British Embassy has made confidential inquiries at Department in regard to payment of this interest by Government of Ecuador.

Department feels that American interests may be very seriously affected if Government of Ecuador does not live up to her obligations, and wishes you to clearly impress upon that Government the necessity of paying interest due January 1 as soon thereafter as possible and of cabling immediately to council of bondholders assurances that interest will be paid. You may say to Government of Ecuador that aside from desire which Government of the United States has in seeing these American interests given that proper protection which they are entitled to by the Government of Ecuador, its feeling of friendship for Ecuador forces it to point out the unfortunate position in which she would place herself if she defaulted in this payment—a position which might lead to many complications, especially the impairment of her credit.

LANSING

FRANCE

LIABILITY TO FRENCH MILITARY SERVICE OF NATURALIZED AMERICAN CITIZENS OF FRENCH ORIGIN AND OF AMERICAN- BORN CHILDREN OF FRENCH PARENTAGE¹

File No. 351.117/68

Ambassador Sharp to the Secretary of State

No. 1853

AMERICAN EMBASSY,
Paris, January 11, 1916.

SIR: I have the honor to enclose herewith in translation a note received from the Foreign Office with reference to the case of Mr. Adrien J. Kirghis. From this note it appears that the acquisition of a foreign nationality by Mr. Kirghis had never been noted on the French military rolls and that, having been born in France of parents also born in France, he was considered a Frenchman and is about to be called to the colors. Furthermore I was informed by Mr. Kirghis that before sailing from New York for Bordeaux he was advised by the authorities that on landing in France he was liable to be drafted into the French army. In spite of this warning he however persisted in his original intention.

I have [etc.]

WM. G. SHARP

[Inclosure—Translation]

The Minister for Foreign Affairs to Ambassador Sharp

FOREIGN OFFICE,
Paris, January 8, 1916.

MR. AMBASSADOR: With reference to a note from the Embassy dated the 17th of this [sic] month, I have the honor to inform you that the French recruiting authorities have never been aware that Adrien J. Kirghis had acquired a foreign nationality.

Under these circumstances, the aforementioned, being born in France of parents who themselves were born in France, is considered to be a Frenchman and is at present about to be called to the colors.

With assurances [etc.]

JULES CAMBON

File No. 351.117/57

The Secretary of State to Ambassador Sharp

[Telegram]

DEPARTMENT OF STATE,
Washington, January 15, 1916.

1317. Kirghis's father naturalized October 22, 1894. Son highly respected citizen of St. Cloud, Minnesota. Make strong representations for his release from military service.

LANSING

¹ Continued from Foreign Relations, 1915, pp. 384-389. See also, in this volume, a similar entry under Italy.

File No. 351.117/62

Ambassador Sharp to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Paris, January 19, 1916.

1224. Your 1317, January 15. French Government's decision reported fully in despatch 1853, January 11. Kirghis stated to Embassy that he was warned by authorities in United States before sailing that he would be liable to military service in France. Records of Embassy tend to show that French Government, even in time of peace, has not departed from custom of requiring military service from those persons subject to it by French law notwithstanding naturalization of such persons. All requests based on similar circumstances presented by this Embassy since beginning of war have been refused. Believe further representations on behalf of Kirghis would be fruitless. Please instruct whether you desire additional action.

SHARP

File No. 351.117/71

The Secretary of State to Ambassador Sharp

[Telegram]

DEPARTMENT OF STATE,
Washington, March 4, 1916.

1406. Louis Levy, born in New York City March 10, 1882, of French father, is applying for removal his name from French military rolls. Extend good offices his behalf.

LANSING

File No. 351.117/73

Ambassador Sharp to the Secretary of State

[Telegram]

DEPARTMENT OF STATE,
Paris, March 10, 1916.

1302. Your 1406, March 4. Foreign Office replies that in France, Louis Levy is French, being born abroad of a French father; that as such he is subject in France to the obligations of military service; and that under these conditions his request does not seem susceptible of favorable action.

SHARP

File No. 351.117/77

The Secretary of State to Ambassador Sharp

No. 1051

DEPARTMENT OF STATE,
Washington, April 25, 1916.

SIR: The Department has been informed that Armand Robert Garrot, who was born in Chicago, Illinois, on June 7, 1894, of a French father, who, however, obtained naturalization as a citizen

of the United States in the County Court of Cook County, Illinois, on March 13, 1901, left the United States in May, 1914, and went to Pontacq, Province of Basses Pyrenées, France, for the purpose of visiting his grandfather, Appolinaire Garrot, who resides at that place. It appears that a passport, No. 40732, was issued by the Department on September 8, 1914, to Armand Robert Garrot and mailed to his address in France upon an application which was made by his father in this country, and that Armand Robert Garrot desires to return to the United States but is being detained by the French authorities for the performance of military service in the French army.

You will please inform the appropriate French authorities in regard to the American citizenship of Armand Robert Garrot, and request that he be released from the performance of military service in the French army and permitted to return to the United States.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 351.117/83

Ambassador Sharp to the Secretary of State

No. 3231

AMERICAN EMBASSY,
Paris, May 25, 1916.

SIR: In compliance with the Department's No. 1051 of April 25 directing me to inform the French authorities of the citizenship of Armand Robert Garrot [etc.] I communicated with the Minister for Foreign Affairs.

The Minister has just replied that according to French law, Mr. Garrot is French, being born abroad of a French father, and that the naturalization of the father, having been made after the birth of the son, does not modify his origin.

The Minister's note, a copy and translation of which is enclosed,² states that it is not possible to release Mr. Garrot from military service for which he is held in France.

I have [etc.]

For the Ambassador:

ROBERT WOODS BLISS

File No. 351.117/87

The Secretary of State to Ambassador Sharp

[Telegrams]

DEPARTMENT OF STATE,
Washington, June 26, 1916.

1575. Your despatch 3231, May 25, concerning Armand Garrot. Upon mother's urgent request and statement that son has broken leg and tuberculosis, renew request for his release.

LANSING

² Not printed.

File No. 351.117/87

DEPARTMENT OF STATE,
Washington, August 25, 1916.

1673. Department's 1575, June 26, concerning Armand Garrot. Report status case.

LANSING

File No. 351.117/93

Chargé Bliss to the Secretary of State

[Telegrams]

AMERICAN EMBASSY,
Paris, August 26, 1916.

1557. Your 1673, August 25. Minister of War willing to have Garrot brought before special medical board for examination as to fitness for further service but desires to know to what regiment he is attached. Am endeavoring to obtain this information.

BLISS

File No. 351.117/95

AMERICAN EMBASSY,
September 15, 1916.

1600. Have ascertained regiment of Garrot and will report result of investigation which I am today requesting of Foreign Office.

BLISS

File No. 351.117/103

Chargé Bliss to the Secretary of State

No. 3724

AMERICAN EMBASSY,
Paris, October 5, 1916.

SIR: I have the honor to report the case of one Leon Karger who recently invoked the good offices of the Embassy to obtain the cancellation of his name from the French military rolls. This the French Government finally consented to do in response to the Embassy's representations, as Karger's case plainly fell under one of the categories of exemption from military service recognized by the French authorities. The circumstances of the case are as follows:

Leon Karger, whose mother was a German subject, was born in Paris on March 22, 1894, the son of Nathan Karger, of Russian origin, who was naturalized as an American citizen on November 21, 1877. Leon Karger, after opting before the French Consul General at New York for the American nationality, upon obtaining his majority, set out for France. Upon reaching Paris he was requested to present himself before the Bureau de Recrutement; he thereupon appealed to the Embassy.

After the case had been explained at the Foreign Office, the Ministry for Foreign Affairs notified the War Office that Karger had established his claim to American citizenship and as such was no longer liable to military service in France.

For the information of the Department, I enclose herewith the following extract from the French military law under the heading, "The Sons of Foreigners."

Are considered French, but with the faculty of repudiating their French status in the year following their majority:

1. Children born in France of foreign parents born abroad who, upon reaching their majority, are domiciled in France;
2. Minor children of a foreigner who has become a naturalized Frenchman;
3. Minor children of a Frenchman who, having lost his nationality, becomes reinstated as a French citizen;
4. Children born in France of a foreign father born abroad and of a mother born in France.

The names of such persons may be removed from the French military rolls even after the Council of Revision, if they repudiate their status as Frenchmen.

I have [etc.]

ROBERT WOODS BLISS

File No. 351.117/106

Chargé Bliss to the Secretary of State

No. 3882

AMERICAN EMBASSY,
Paris, November 4, 1916.

SIR: I have the honor to enclose herewith a copy and translation of a note received from the Foreign Office to the effect that they have been notified by the Minister of War that Mr. Armand Robert Garrot was discharged from the French Army as "Réformé No. 2" under date of September 7 last.

I have [etc.]

ROBERT WOODS BLISS

[Inclosure—Translation]

The Minister of Foreign Affairs to Chargé Bliss

FOREIGN OFFICE,
Paris, November 3, 1916.

MR. CHARGÉ D'AFFAIRES: In answer to your letters of June 17 and 28 and September 1 last, I have the honor to inform you, in accordance with a communication from the Minister of War, that trooper Armand Garrot was discharged as "Réformé No. 2" under date of September 7 last.

The interested party belonged to the auxiliary service; he is, therefore, by virtue of the law of August 17, 1915, definitely released from military duty.

Consequently nothing can now oppose his acquiring American naturalization.

Accept [etc.]

J. CAMBON

ABROGATION OF PROVISIONS OF CERTAIN TREATIES CONFLICTING WITH THE SEAMEN'S ACT OF MARCH 4, 1915,—ACCEPTANCE OF THE ABROGATION BY FRANCE

(See Belgium)

EXCHANGE OF NOTES BETWEEN THE UNITED STATES AND FRANCE CONCERNING FRENCH INTERESTS IN HAITI

(See Haiti)

FRENCH PROTECTORATE IN MOROCCO. ABROGATION OF THE CAPITULATIONS IN THE FRENCH ZONE. ISSUANCE OF EXEQUATURS TO AMERICAN CONSULAR OFFICERS IN THE FRENCH ZONE

(See Morocco)

GERMANY

EXTENSION OF THE PERIOD OF PRIORITY FIXED BY THE INTERNATIONAL CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY

File No. 811.542/89

The German Ambassador to the Secretary of State

[Translation]

GERMAN EMBASSY,
Washington, November 13, 1916.

MR. SECRETARY OF STATE: In compliance with instructions, I have the honor to lay before your excellency the following communication in the matter of bringing about transitory alleviation in the domain of patent, working design and trade-mark law in view of the difficulties interposed by the war in the exercise of the right of priority.

The intention manifested at one time by the Government of the United States to protect through an Act of Congress European applicants from injury to their applications in regard to the right of priority for one year guaranteed by the Paris Convention for the Protection of Industrial Property¹ that might be caused by delays occurring during the war has not yet been carried into effect. The International Bureau for the Protection of Industrial Property has since called the attention of the States in the Union to the desirability of a general extension of the time limit; but the United States is not among the countries which have responded to the suggestion. Germany has issued the ordinances of May 7, 1915, and April 8, 1916 (Reichs-Gesetzblatt 1915, p. 272; 1916, p. 259), which extend the time limit until after the end of the war. The benefit thereof could not, however, be accorded to American citizens because German subjects do not enjoy the corresponding advantage in America.

American inventors are therefore greatly interested in having a change made in existing conditions.

That the extension of the Union time limit would prove the most effective measure for the removal of the injury caused to subjects of States of the Union by the state of war was expressly acknowledged by the Commissioner of Patents in his letter of September 11, 1914, to the Embassy.

I have the honor to beg your excellency kindly to inform me of the status of the case and most respectfully to suggest that the said time limit be extended to some date following the end of the war and with retroactive effect from August 1, 1914.

¹ Malloy's Treaties, p. 1935; For. Rel. 1887, p. 1067. This convention was twice revised (1900, 1911) and then replaced by the Convention of June 2, 1911, printed in For. Rel. 1913, p. 1263.

I have the honor to remark in this connection that my Government is ready to issue, in accordance with Par. 1, Sec. 2, of the Ordinance of May 7, 1915, a notice for the benefit of American citizens as soon as a similar advantage is conceded to German subjects there by the Government of the United States.

Accept [etc.]

J. BERNSTORFF

File No. 811.542/39

The Secretary of State to the German Ambassador

No. 2226

DEPARTMENT OF STATE,
Washington, December 6, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt, in due course, of your note of November 13, 1916, wherein [etc.].

In reply I have the honor to say that a translation of your note has been sent to the Secretary of the Interior, for the information and consideration of the Commissioner of Patents, and that upon receipt of his reply you will be advised thereof.

Accept [etc.]

ROBERT LANSING

File No. 811.542/41

The Secretary of State to the German Ambassador

No. 2254

DEPARTMENT OF STATE,
Washington, December 20, 1916.

EXCELLENCY: Referring to your note of November 13, 1916, relative to the proposed extension of the period of priority fixed by the International Convention for the Protection of Industrial Property I have the honor to enclose herewith for your information a copy of a letter from the Commissioner of Patents in response to the communication² on the subject which the Department addressed to the Secretary of the Interior under date of December 6, 1916.

Accept [etc.]

ROBERT LANSING

[Inclosure]

The Commissioner of Patents to the Secretary of State

DEPARTMENT OF THE INTERIOR,
UNITED STATES PATENT OFFICE,
Washington, December 13, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of December 6, 1916, addressed to the Secretary of the Interior and enclosing a copy of a note from the German Ambassador with respect to the extension of the period of priority fixed by the International Convention for the Protection of Industrial Property.

Article 4 of that Convention reads in part as follows:

(a) Any person who shall have duly filed an application for a patent, utility model, industrial design or model, or trade-mark, in one of the contracting countries, or the successor or assignee of such person shall enjoy, for the purpose of filing application in the other countries, and subject to the rights of third parties, a right of priority during the periods hereinafter specified.

(c) The periods of priority above referred to shall be twelve months for patents and models of utility, and four months for industrial designs and models, as also for trade-marks.

² Not printed.

Section 4887 of the Revised Statutes of the United States, which was passed to carry into effect the provisions of Article 4 of the Convention, reads as follows:

No person otherwise entitled thereto shall be debarred from receiving a patent for his invention or discovery, nor shall any patent be declared invalid by reason of its having been first patented or caused to be patented by the inventor or his legal representatives or assigns in a foreign country, unless the application for said foreign patent was filed more than twelve months, in cases within the provisions of section 4886 of the Revised Statutes, and four months in cases of designs, prior to the filing of the application in this country, in which case no patent shall be granted in this country.

An application for patent for an invention or discovery or for a design filed in this country by any person who has previously regularly filed an application for a patent for the same invention, discovery, or design in a foreign country, which, by treaty, convention, or law, affords similar privilege to citizens of the United States shall have the same force and effect as the same application would have if filed in this country on the date on which the application for patent for the same invention, discovery, or design was first filed in such foreign country, provided the application in this country is filed within twelve months in cases within the provisions of section 4886 of the Revised Statutes, and within four months in cases of designs, from the earliest date on which any such foreign application was filed. But no patent shall be granted on an application for patent for an invention or discovery or a design which had been patented or described in a printed publication in this or any foreign country more than two years before the date of the actual filing of the application in this country, or which had been in public use or on sale in this country for more than two years prior to such filing.

The Act of Congress of August 17, 1916, reads as follows:

An act to extend temporarily the time for filing applications and fees and taking action in the United States Patent Office in favor of nations granting reciprocal rights to United States citizens.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any applicant for letters patent or for the registration of any trade-mark, print, or label, being within the provisions of this act, if unable on account of the existing and continuing state of war to file any application or pay any official fee or take any required action within the period now limited by law, shall be granted an extension of nine months beyond the expiration of said period.

Sec. 2. That the provisions of this act shall be limited to citizens or subjects of countries which extend substantially similar privileges to the citizens of the United States, and no extension shall be granted under this act to the citizens or subjects of any country while said country is at war with the United States.

Sec. 3. That this act shall be operative to relieve from default under existing law occurring since August first, nineteen hundred and fourteen, and before the first day of January, nineteen hundred and eighteen, and all applications and letters patent and registrations in the filing or prosecution whereof default has occurred for which this act grants relief shall have the same force and effect as if said default had not occurred.

The ordinance of the German Government of May 7, 1915, provides that the priority time limits of Article 4 of the Convention for the Protection of Industrial Property are extended to the expiration of six months after the termination of the war, but at the latest to June 30, 1916, and provides further:

These provisions shall apply in favor of subjects of foreign countries when and to the same extent as the priority time limits are prolonged in such countries in favor of German subjects, as shall be certified by proclamation published in the *Reichs-Gesetzblatt*.

This ordinance was modified by the ordinance of April 8, 1916, by omitting the provision limiting the extension to June 30, 1916.

Upon the passage of the Act of August 17, 1916, I considered that this country came within the provision above quoted of the German ordinance of May 7, 1915, and did not deem it necessary to await notice that it had been so certified by proclamation published in the *Reichs-Gesetzblatt* in order to give German citizens the benefit of the Act in accordance with the provisions of Section 2 thereof.

In the cases of Jens Dedichen and Rudolf Haugwitz, subjects of the German Emperor, in which the application was not filed in this country within twelve months from the filing of the German application, the period fixed by the convention and by Section 4887 of the Revised Statutes, but was filed within nine months from the expiration of that period, I held that the German Government having granted substantially similar privileges to citizens of the United States, the applicants were entitled, in view of the showing made as to the cause of the failure to file within that period, to the benefit of the Act of August 17, 1916, and that therefore a patent in this country would not be barred by the granting of a German patent.

I have referred only to the question of extending the "period of priority" for the reason that in the proclamation by the German Government October 21, 1914, it is stated that the United States grants to citizens of the German Empire the same facilities as are provided for in the Ordinance of September 10, 1914, which relates to the extension of the time for the payment of taxes and for the

taking of any action with regard to the Patent Office, the nonobservance of which entails a loss of rights. In a number of cases I have accepted fees paid in applications filed by German subjects after the expiration of the period "now fixed by law," for their payment.

The Act of August 17, 1916, is a remedial one and in my opinion should be liberally construed. I have therefore held that it is a sufficient compliance with its requirement as to reciprocal rights or privileges if the Government, of which the applicant is a citizen, grants to citizens of the country relief from forfeiture arising under its own laws without specific reference to the form in which relief is granted.

If it can be arranged, I should be pleased to have a conference with the German Ambassador on this subject.

Respectfully,

THOMAS EWING

GREAT BRITAIN

CONVENTION BETWEEN THE UNITED STATES AND GREAT BRITAIN FOR THE PROTECTION OF MIGRATORY BIRDS

Signed at Washington, August 16, 1916; ratification advised by the Senate, August 29, 1916; ratified by the President, September 1, 1916; ratified by Great Britain, October 20, 1916; ratifications exchanged at Washington, December 7, 1916; proclaimed, December 8, 1916.

Treaty Series No. 628]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas a Convention between the United States of America and the United Kingdom of Great Britain and Ireland for the protection of migratory birds in the United States and Canada was concluded and signed by their respective Plenipotentiaries at Washington, on the sixteenth day of August, one thousand nine hundred and sixteen, the original of which Convention is word for word as follows:

Whereas, Many species of birds in the course of their annual migrations traverse certain parts of the United States and the Dominion of Canada; and

Whereas, Many of these species are of great value as a source of food or in destroying insects which are injurious to forests and forage plants on the public domain, as well as to agricultural crops, in both the United States and Canada, but are nevertheless in danger of extermination through lack of adequate protection during the nesting season or while on their way to and from their breeding grounds;

The United States of America and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, being desirous of saving from indiscriminate slaughter and of insuring the preservation of such migratory birds as are either useful to man or are harmless, have resolved to adopt some uniform system of protection which shall effectively accomplish such objects and to the end of concluding a convention for this purpose have appointed as their respective Plenipotentiaries:

The President of the United States of America, Robert Lansing, Secretary of State of the United States; and

His Britannic Majesty, the Right Honorable Sir Cecil Arthur Spring Rice, G. C. V. O., K. C. M. G., etc., His Majesty's Ambassador Extraordinary and Plenipotentiary at Washington;

Who, after having communicated to each other their respective full powers which were found to be in due and proper form, have agreed to and adopted the following articles:

ARTICLE I

The High Contracting Powers declare that the migratory birds included in the terms of this Convention shall be as follows:

1. Migratory Game Birds:

- (a) Anatidae or waterfowl, including brant, wild ducks, geese, and swans.
- (b) Gruidae or cranes, including little brown, sandhill, and whooping cranes.
- (c) Rallidae or rails, including coots, gallinules and sora and other rails.
- (d) Limicolae or shorebirds, including avocets, curlew, dowitchers, godwits, knots, oyster catchers, phalaropes, plovers, sandpipers, snipe, stilts, surf birds, turnstones, willet, woodcock and yellowlegs.
- (e) Columbidae or pigeons, including doves and wild pigeons.

2. Migratory Insectivorous Birds:

Bobolinks, catbirds, chickadees, cuckoos, flickers, flycatchers, grosbeaks, humming birds, kinglets, martins, meadowlarks, nighthawks or bull bats, nut-hatches, orioles, robins, shrikes, swallows, swifts, tanagers, titmice, thrushes, vireos, warblers, wax-wings, whippoorwills, woodpeckers and wrens, and all other perching birds which feed entirely or chiefly on insects.

3. Other Migratory Nongame Birds:

Auks, auklets, bitterns, fulmars, gannets, grebes, guillemots, gulls, herons, jaegers, loons, murre, petrels, puffins, shearwaters, and terns.

ARTICLE II

The High Contracting Powers agree that, as an effective means of preserving migratory birds there shall be established the following close seasons during which no hunting shall be done except for scientific or propagating purposes under permits issued by proper authorities.

1. The close season on migratory game birds shall be between March 10 and September 1, except that the close season on the Limicolae or shorebirds in the Maritime Provinces of Canada and in those States of the United States bordering on the Atlantic Ocean which are situated wholly or in part north of Chesapeake Bay shall be between February 1 and August 15, and that Indians may take at any time scoters for food but not for sale. The season for hunting shall be further restricted to such period not exceeding three and one-half months as the High Contracting Powers may severally deem appropriate and define by law or regulation.

2. The close season on migratory insectivorous birds shall continue throughout the year.

3. The close season on other migratory nongame birds shall continue throughout the year, except that Eskimos and Indians may take at any season auks, auklets, guillemots, murrens and puffins, and their eggs, for food and their skins for clothing, but the birds and eggs so taken shall not be sold or offered for sale.

ARTICLE III

The High Contracting Powers agree that during the period of ten years next following the going into effect of this Convention, there shall be a continuous close season on the following migratory game birds, to wit:—

Band-tailed pigeons, little brown, sandhill and whooping cranes, swans, curlew and all shorebirds (except the black-breasted and golden plover, Wilson or jack snipe, woodcock, and the greater and lesser yellowlegs); provided that during such ten years the close seasons on cranes, swans and curlew in the Province of British Columbia shall be made by the proper authorities of that Province within the general dates and limitations elsewhere prescribed in this Convention for the respective groups to which these birds belong.

ARTICLE IV

The High Contracting Powers agree that special protection shall be given the wood duck and the eider duck either (1) by a close season extending over a period of at least five years, or (2) by the establishment of refuges, or (3) by such other regulations as may be deemed appropriate.

ARTICLE V

The taking of nests or eggs of migratory game or insectivorous or nongame birds shall be prohibited, except for scientific or propagating purposes under such laws or regulations as the High Contracting Powers may severally deem appropriate.

ARTICLE VI

The High Contracting Powers agree that the shipment or export of migratory birds or their eggs from any State or Province, during the continuance of the close season in such State or Province, shall be prohibited except for scientific or propagating purposes, and the international traffic in any birds or eggs at such time captured, killed, taken, or shipped at any time contrary to the laws of the State or Province in which the same were captured, killed, taken, or shipped shall be likewise prohibited. Every package containing migratory birds or any parts thereof or any eggs of migratory birds transported, or offered for transportation from the United States into the Dominion of Canada or from the Dominion of Canada into the United States, shall have the name and address of the shipper and an accurate statement of the contents clearly marked on the outside of such package.

ARTICLE VII

Permits to kill any of the above-named birds which, under extraordinary conditions, may become seriously injurious to the agricultural or other interests in any particular community, may be issued by the proper authorities of the High Contracting Powers under suitable regulations prescribed therefor by them respectively, but such permits shall lapse, or may be cancelled, at any time when, in the opinion of said authorities, the particular exigency has passed, and no birds killed under this article shall be shipped, sold or offered for sale.

ARTICLE VIII

The High Contracting Powers agree themselves to take, or propose to their respective appropriate law-making bodies, the necessary measures for insuring the execution of the present Convention.

ARTICLE IX

The present Convention shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty. The ratifications shall be exchanged at Washington as soon as possible and the Convention shall take effect on the date of the exchange of the ratifications. It shall remain in force for fifteen years and in the event of neither of the High Contracting Powers having given notification, twelve months before the expiration of said period of fifteen years, of its intention of terminating its operation, the Convention shall continue to remain in force for one year and so on from year to year.

In faith whereof, the respective Plenipotentiaries have signed the present Convention in duplicate and have hereunto affixed their seals.

Done at Washington this sixteenth day of August, one thousand nine hundred and sixteen.

[SEAL]
[SEAL]

ROBERT LANSING
CECIL SPRING RICE

And whereas the said Convention has been duly ratified on both parts, and the ratifications of the two Governments were exchanged in the City of Washington, on the seventh day of December, one thousand nine hundred and sixteen;

Now, therefore, be it known that I, Woodrow Wilson, President of the United States of America, have caused the said Convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this eighth day of December in the year of our Lord one thousand nine hundred and sixteen, and of the Independence of the United States of America the one hundred and forty-first.

By the President:

ROBERT LANSING,

WOODROW WILSON

APPLICATION TO PORTO RICO OF THE PROVISIONS OF THE
TREATY OF 1899 BETWEEN GREAT BRITAIN AND THE UNITED
STATES RELATIVE TO THE TENURE AND DISPOSITION OF REAL
AND PERSONAL PROPERTY

File No. 811.5241/76

The British Ambassador to the Secretary of State

No. 40

BRITISH EMBASSY,
Washington, February 5, 1914.

SIR: You will recollect that Article III of the convention between the United States and Great Britain, signed on the 2d of March, 1899, provides that

in case of the death of any citizen of the United States of America in the United Kingdom of Great Britain and Ireland, or of any subject of Her Britannic Majesty in the United States, without having in the country of his decease any known heirs or testamentary executors by him appointed, the competent local authorities shall at once inform the nearest consular officer of the nation to which the deceased person belonged of the circumstance, in order that the necessary information may be immediately forwarded to persons interested.

It appears that His Majesty's consul at San Juan, Porto Rico, has during his tenure of office received various inquiries from colonial officials and others in regard to the alleged decease of British subjects on the island as well as to the disposal of property left by them and that he has in no case received any notification from the local authorities in relation thereto. He accordingly inquired of the Secretary of Porto Rico whether the convention of March 2, 1899, was deemed to apply to the dependent territory of Porto Rico. The Secretary stated in reply that a careful search in the files of his office had failed to disclose sufficient information to enable him to answer the inquiry and he suggested that the matter should be taken up with the Department of State.

Clause 3 of Article IV stipulates that the provisions of the convention shall apply to any territories pertaining to or occupied and governed by the United States beyond the seas only upon notice to that effect being given by the representative of the United States in London.

I have the honor to request that you will be so good as to inform me whether the convention in question is deemed by the United States Government to apply to the island of Porto Rico.

I have [etc.]

CECIL SPRING RICE

File No. 811.5241/76

The Secretary of State to the British Ambassador

No. 271

DEPARTMENT OF STATE,
Washington, March 6, 1914.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of February 5, 1914, in which you request information as to the applicability to Porto Rico of the provisions of the treaty of 1899 between Great Britain and the United States relative to the tenure and disposition of real and personal property.

In reply I have the honor to inform you that the Department is of the opinion that, within the meaning and intent of Article IV of the above-named convention, the island of Porto Rico is to be regarded as territory "pertaining to or occupied and governed by the United States beyond the seas," as stated in the third clause of said article, and that consequently the convention referred to may not be considered as applying to that island until the notice contemplated by said clause has been given "by the representative of the United States of London, by direction of the treaty-making power of the United States."

I have [etc.]

For the Secretary of State:

JOHN E. OSBORNE

File No. 811.5241/78

The British Embassy to the Department of State

The British Embassy had the honor to address a note to the Secretary of State on February 5 relative to the disposal of the property of British subjects dying in the Island of Porto Rico. The United States Government was asked to be good enough to state whether they deemed the convention of March 2, 1899, to apply to that island. The inquiry was based on representations made by the British consul at San Juan that there had been several instances of British subjects dying on the island and leaving property and that in no case had he been notified by the local authorities.

In his reply of March 6 the Secretary of State said that in the opinion of the Department the convention might not be considered as applying to the island until the notice contemplated by clause 3 had been given by the representative of the United States at London, by direction of the treaty-making power of the United States.

From this reply it is inferred that no such notice has in fact been given and the British consul would appear to be precluded from exercising the duties which, as is evident from the terms of the convention between the United States and Great Britain, properly belong to the office of a consular representative of one country accredited to the other.

It may be observed that the list published in the volume of United States treaties with foreign powers shows that most, if not all, of the British colonies and possessions have acceded to the convention in the question and the British Embassy would welcome any suggestion which the Department of State might feel able to make with a view to meeting the difficulties complained of and putting the matter on a satisfactory footing.

BRITISH EMBASSY,

Washington, March 19, 1914.

File No. 811.5241/78

The Secretary of State to the Secretary of War

DEPARTMENT OF STATE,

Washington, April 13, 1914.

SIR: I have the honor to inclose copies of correspondence exchanged between this Department and the British Embassy at this Capital, on the subject of the applicability to Porto Rico of the

Treaty of March 2, 1899, between the United States and Great Britain, concerning the tenure and disposition of real and personal property.

The Department will be glad to receive an expression of your views in the matter, as well as of those of the Governor of Porto Rico.

I have [etc.]

For the Secretary of State:

ROBERT LANSING

File No. 811.5241/80

The Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, May 18, 1914.

SIR: Referring further to communication from your Department of April 13, 1914 in relation to the applicability to Porto Rico of the Treaty of March 2, 1899, between the United States and Great Britain, concerning the tenure and disposition of real and personal property, I beg to inclose herewith a copy of a communication bearing on the subject from the Governor of Porto Rico, to whom the matter was referred by this Department.

It will be observed that the Governor is of the opinion that there is no objection to the extension and application of this Convention to Porto Rico. In the light of the facts given by him, and no reasons to the contrary being apparent, the Department concurs in this opinion.

Very respectfully,

LINDLEY M. GARRISON

[Inclosure]

The Governor of Porto Rico to the Bureau of Insular Affairs

GOVERNMENT HOUSE, PORTO RICO,
San Juan, May 9, 1914.

SIR: I have the honor to acknowledge the receipt of your indorsement of the 20th ultimo on a communication under date of April 13 from the Counselor of the State Department, for the Secretary of State, to the Secretary of War, inclosing copies of correspondence between the Department of State and the British Embassy at Washington, on the subject of the applicability to Porto Rico of the Treaty of March 2, 1899, between the United States and Great Britain concerning the tenure and disposition of real and personal property, all of which papers are returned herewith in accordance with your request.

In reply to the inquiry made I will state that I am of the opinion that there is no objection to having extended and applied to Porto Rico the provisions of the convention as to tenure and disposition of real and personal property entered into on March 2, 1899, between the United States and Great Britain, as the present substantive laws of Porto Rico allow substantially the same rights as are allowed by this convention, and the only changes which will have to be made are changes of procedure, also taking into consideration the fact that almost all of the British colonies and possessions in the West Indies have acceded to said convention, as appears from a note by the Department of State, inserted at page 378 of the "Compilation of Treaties in Force," prepared and printed under resolution of the Senate of February 11, 1904.

Respectfully,

ARTHUR YAGER

Message from the President to the Senate

THE WHITE HOUSE,
Washington, April 12, 1916.

TO THE SENATE:

To the end that I may receive the necessary authority of the Senate to give, in conformity with clause 3 of Article IV of the Convention relating to tenure and disposition of real and personal property, concluded March 2, 1899, between the United States and Great Britain, notice to the Government of Great Britain that the provisions of the said Convention are extended and applied to the island of Porto Rico, I herewith transmit a report by the Secretary of State, with accompanying papers, on the subject.

WOODROW WILSON

File No. 811.5241/80

The Secretary of State to the President

DEPARTMENT OF STATE,
Washington, April 10, 1916.

THE PRESIDENT:

It is stated in clause 3 of Article IV of the Convention relating to tenure and disposition of real and personal property, concluded March 2, 1899, between the United States and Great Britain, that:

The provisions of this Convention shall extend and apply to any territory or territories pertaining to or occupied and governed by the United States beyond the seas, only upon notice to that effect being given by the representative of the United States at London by direction of the treaty making power of the United States.

In a note dated February 5, 1914, the British Ambassador at this Capital requested to be informed whether the convention mentioned "is deemed by the United States Government to apply to the island of Porto Rico."

The Ambassador was informed in reply on March 6, 1914, that it was the opinion of the Department that within the meaning and intent of Article IV of the Convention—

the island of Porto Rico is to be regarded as territory "pertaining to or occupied and governed by the United States beyond the seas," as stated in the third clause of said article, and that consequently the Convention referred to may not be considered as applying to that island until the notice contemplated by said clause has been given "by the representative of the United States at London by direction of the treaty making power of the United States."

In a memorandum dated March 19, 1914, the British Ambassador called attention to the fact that most, if not all, of the British colonies and possessions had acceded to the Convention in the question, and on April 13, 1914, the Department of State communicated copies of the correspondence with the British Ambassador to the Secretary of War, and requested an expression of his and the Governor of Porto Rico's views with respect to the advisability of extending the application of the convention to Porto Rico.

On May 18, 1914, the Secretary of War enclosed to the Secretary of State a copy of a communication bearing on the subject from the Governor of Porto Rico, in which the Governor stated that he was of the opinion that "there is no objection to having extended and applied to Porto Rico the provisions of the convention." In this opinion the War Department concurred.

The undersigned, the Secretary of State, has the honor to lay before the President a copy of the convention in question, together with copies of the papers above mentioned, and to recommend that these papers be transmitted to the Senate, with a view to obtaining the advice and consent of that body to the extension and application to the island of Porto Rico of the terms of the Convention regarding the tenure and disposition of real and personal property, concluded between the United States and Great Britain on March 2. 1899.

Respectfully submitted.

ROBERT LANSING

[Inclosure 1]

CONVENTION BETWEEN THE UNITED STATES AND GREAT BRITAIN—TENURE
AND DISPOSITION OF REAL AND PERSONAL PROPERTY

Signed at Washington March 2, 1899; ratification (with amendments) advised by the Senate, March 22, 1900; ratified by the President, July 16, 1900; ratified by Great Britain, June 18, 1900; ratifications exchanged at Washington, July 28, 1900; proclaimed, August 6, 1900.

Treaty Series No. 146

WILLIAM MCKINLEY,

PRESIDENT OF THE UNITED STATES OF AMERICA

To all to whom these Presents shall come, Greeting:

Know Ye, that whereas a Convention between the United States of America and Great Britain, relating to the tenure and disposition of real and personal property, was concluded at Washington on the 2d of March, one thousand eight hundred and ninety-nine, the original of which Convention, being in the English language, is, as amended by the Senate of the United States, word for word as follows:

The United States of America and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, desiring to improve the condition of the citizens and subjects of each of the respective countries in relation to the tenure and disposition of real and personal property situated or being within the territories of the other, as well as to authorize the representation of deceased persons by the Consuls of their respective nations in the settlement of estates, have resolved to conclude a convention for those purposes and have named as their Plenipotentiaries:

The President of the United States of America, the Honorable John Hay, Secretary of State of the United States of America; and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honorable Sir Julian Pauncefote, Knight Grand Cross of the Orders of the Bath and of St. Michael and St. George, Ambassador Extraordinary and Plenipotentiary of Great Britain:

Who, having exchanged their said full powers, found in due and proper form, have agreed to and signed the following articles:

ARTICLE I

Where, on the death of any person holding real property (or property not personal), within the territories of one of the Contracting Parties, such real prop-

erty would, by the laws of the land, pass to a citizen or subject of the other, were he not disqualified by the laws of the country where such real property is situated, such citizen or subject shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary, and to withdraw the proceeds thereof, without restraint or interference, and exempt from any succession, probate or administrative duties or charges other than those which may be imposed in like cases upon the citizens or subjects of the country from which such proceeds may be drawn.

ARTICLE II

The citizens or subjects of each of the Contracting Parties shall have full power to dispose of their personal property within the territories of the other, by testament, donation, or otherwise; and their heirs, legatees, and donees, being citizens or subjects of the other Contracting Party, whether resident or non-resident, shall succeed to their said personal property, and may take possession thereof either by themselves or by others acting for them, and dispose of the same at their pleasure, paying such duties only as the citizens or subjects of the country where the property lies shall be liable to pay in like cases.

ARTICLE III

In case of the death of any citizen of the United States of America in the United Kingdom of Great Britain and Ireland, or of any subject of Her Britannic Majesty in the United States, without having in the country of his decease any known heirs or testamentary executors by him appointed, the competent local authorities shall at once inform the nearest consular officer of the Nation to which the deceased person belonged of the circumstance, in order that the necessary information may be immediately forwarded to persons interested.

The said consular officer shall have the right to appear personally or by delegate in all proceedings on behalf of the absent heirs or creditors, until they are otherwise represented.

ARTICLE IV

The stipulations of the present Convention shall not be applicable to any of the Colonies or foreign possessions of Her Britannic Majesty unless notice to that effect shall have been given, on behalf of any such Colony or foreign possession of Her Britannic Majesty's Representative at Washington to the United States Secretary of State, within one year from the date of the exchange of the ratifications of the present Convention.

It is understood that under the provisions of this Article, Her Majesty can in the same manner give notice of adhesion on behalf of any British Protectorate or sphere of influence, or on behalf of the Island of Cyprus, in virtue of the Convention of the 4th of June, 1878, between Great Britain and Turkey.

The provisions of this Convention shall extend and apply to any territory or territories pertaining to or occupied and governed by the United States beyond the seas, only upon notice to that effect being given by the Representative of the United States at London, by direction of the treaty making power of the United States.

ARTICLE V

In all that concerns the right of disposing of every kind of property, real or personal, citizens or subjects of each of the High Contracting Parties shall in the Dominions of the other enjoy the rights which are or may be accorded to the citizens or subjects of the most favored nation.

ARTICLE VI

The present Convention shall come into effect ten days after the day upon which the ratifications are exchanged, and shall remain in force for ten years after such exchange. In case neither of the High Contracting Parties shall have given notice to the other, twelve months before the expiration of the said

period of ten years, of the intention to terminate the present Convention, it shall remain in force until the expiration of one year from the day on which either of the High Contracting Parties shall have given such notice.

The United States or Her Britannic Majesty shall also have the right separately to terminate the present Convention at any time on giving twelve months' notice to that effect in regard to any British Colony, foreign possession, or dependency, as specified in Article IV, which may have acceded thereto.

ARTICLE VII

The present Convention shall be duly ratified by the President of the United States, by and with the approval of the Senate thereof, and by Her Britannic Majesty, and the ratifications shall be exchanged in London or in Washington.

In faith whereof we, the respective Plenipotentiaries, have signed this Treaty and have hereunto affixed our seals.

Done in duplicate at Washington, the second day of March, one thousand eight hundred and ninety-nine.

JOHN HAY [SEAL]
JULIAN PAUNCEFOTE [SEAL]

And whereas the Convention has been duly ratified, as amended, on both parts, and the ratifications of the two Governments were exchanged in the City of Washington on the 28th day of July one thousand nine hundred.

Now, therefore, be it known that I, William McKinley, President of the United States of America, have caused the said Convention, as amended, to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington, this sixth day of August in the year of Our Lord one thousand nine hundred and of the Independence of the United States, the one hundred and twenty-fifth.

[SEAL]

WILLIAM MCKINLEY

By the President:

ALVEY A. ADEE,
Acting Secretary of State

[Inclosure 2]

SUPPLEMENTARY CONVENTION BETWEEN THE UNITED STATES AND GREAT
BRITAIN RELATING TO THE TENURE AND DISPOSITION OF REAL AND PER-
SONAL PROPERTY

Signed at Washington, January 13, 1902; ratification advised by the Senate, February 17, 1902; ratified by the President, March 7, 1902; ratified by Great Britain, March 11, 1902; ratifications exchanged at Washington, April 2, 1902; proclaimed, April 2, 1902.

Treaty Series No. 402

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas a Supplementary Convention between the United States of America and Great Britain extending for a period of twelve months from July 28, 1901, the time within which British Colonies or Foreign Possessions may give their adhesion to the Convention relative to the disposal of real and personal property, signed at Washington on the 2nd day of March, 1899, was concluded and signed by their respective Plenipotentiaries at Washington on the 13th day of January,

one thousand nine hundred and two, the original of which Supplementary Convention, is word for word as follows:

The United States of America and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, finding it expedient to prolong for a period of twelve months the time fixed by Article IV of the Convention relative to the disposal of real and personal property, signed at Washington on the 2nd day of March, 1889, for the notification of their accession to that Convention by His Britannic Majesty's Colonies or Foreign Possessions, have agreed to conclude an additional Convention for that purpose, and have named as their plenipotentiaries:

The President of the United States of America, the Honorable John Hay, Secretary of State of the United States of America; and His Majesty the King of Great Britain and Ireland, and of the British Dominions beyond the Seas, Emperor of India, The Right Honorable Lord Pauncefoot, of Preston, G. C. B., G. C. M. G., His Majesty's Ambassador Extraordinary and Plenipotentiary to the United States; who, having communicated to each other their Full Powers, which were found to be in due and proper form, have agreed upon the following sole Article:

SOLE ARTICLE

It is agreed that the time fixed in Article IV of the said Convention, within which the accessions thereto of His Britannic Majesty's Colonies or Foreign Possessions shall be notified, shall be prolonged for a period of twelve months from July 28th 1901.

In faith whereof the respective Plenipotentiaries have signed this Convention and hereunto affixed their seals.

Done at the City of Washington, this second day of April in the year of Our Lord one thousand nine hundred and two.

JOHN HAY [SEAL]
PAUNCEFOOT [SEAL]

And whereas the said Supplementary Convention has been duly ratified on both parts, and the ratifications of the two Governments were exchanged in the City of Washington, on the second day of April, one thousand nine hundred and two;

Now therefore, be it known that I, Theodore Roosevelt, President of the United States of America, have caused the said Supplementary Convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the City of Washington, this second day of April in the year of Our Lord one thousand nine hundred and two, and of the Independence of the United States the one hundred and twenty-sixth.

[SEAL]

By the President:

JOHN HAY,

Secretary of State

THEODORE ROOSEVELT

[Note.—The Department was advised by the British Embassy that the following British colonies, possessions and protectorates had acceded to the Convention between the United States and Great Britain of March 2, 1899, relating to the tenure and disposition of real and personal property.]

Name of possession	Date of advice
Australia.....	April 3, 1902.
Bahamas.....	February 9, 1901.
Barbados.....	Do.
Basutoland Protectorate.....	July 24, 1902.
Bechuanaland Protectorate.....	Do.
Bermuda.....	July 19, 1901.
British Guiana.....	June 17, 1901.
British Honduras.....	February 9, 1901.
British New Guinea.....	April 3, 1902.
Cape.....	February 9, 1901.
Ceylon.....	Do.
Cyprus.....	Do.
Falkland Islands.....	Do.
Fiji.....	Do.
Gambia.....	Do.
Gold Coast Colony.....	July 6, 1901.
Grenada.....	February 9, 1901.
Hongkong.....	Do.
India, including the Native States.....	June 30, 1902.
Jamaica.....	February 9, 1901.
Labuan.....	April 30, 1901.
Lagos.....	July 27, 1901.
Leeward Islands.....	June 17, 1901.
Mauritius.....	June 10, 1901.
Newfoundland.....	March 5, 1901.
New Zealand.....	June 10, 1901.
North Borneo.....	April 30, 1901.
Northern Nigeria.....	July 22, 1901.
Orange River Colony.....	July 24, 1902.
St. Helena.....	February 9, 1901.
St. Lucia.....	Do.
St. Vincent.....	Do.
Sierra Leone.....	Do.
South Nigeria.....	July 27, 1901.
South Rhodesia.....	Do.
Straits Settlements.....	February 9, 1901.
Transvaal.....	July 24, 1902.
Trinidad.....	February 9, 1901.

IN EXECUTIVE SESSION, SENATE OF THE UNITED STATES

August 29, 1916.

Resolved (Two-thirds of the Senators present concurring therein),
That the Senate advise and consent that notice be given by the President of the United States through the American Ambassador at London, in conformity with Clause 3 of Article 4 of the Convention relating to the tenure and disposition of real and personal property, concluded March 2, 1899, between the United States and Great Britain, and proclaimed by the President on August 6, 1900, that the provisions of said Convention are, by direction of the Treaty-making power of the United States, extended and applied to the Island of Porto Rico; the foregoing being in accordance with a report made by the Secretary of State and transmitted to the Senate under date of April 12, 1916, and published by the Senate as Executive Document C, First Session Sixty-fourth Congress.

Attest:

JAMES M. BAKER,

Secretary

By PETER M. WILSON,
Chief Clerk

File No. 811.5241/80a

The Secretary of State to Chargé Laughlin

No. 4135

DEPARTMENT OF STATE,
Washington, August 31, 1916.

SIR: Paragraph 3 of Article IV of the Convention between the United States and Great Britain relative to the tenure and disposition of real and personal property, signed at Washington on March 2, 1899, stipulates as follows:

The provisions of this Convention shall extend and apply to any territory or territories pertaining to or occupied and governed by the United States beyond the seas, only upon notice to that effect being given by the Representative of the United States at London, by direction of the treaty-making power of the United States.

The Senate, by a resolution adopted on August 29, 1916, having advised and consented to notice being given by the President to the American Ambassador at London

that the provisions of said Convention are, by direction of the treaty-making power of the United States, extended and applied to the Island of Porto Rico,

you are instructed to address Viscount Grey a note as follows:

By direction of the treaty-making power of the United States, the undersigned Chargé d'Affaires of the United States of America has the honor, in conformity with paragraph 3 of Article IV of the Convention between the United States and Great Britain relating to the tenure and disposition of real and personal property, signed at Washington on March 2, 1899, hereby to give formal notice to His Britannic Majesty's Government that the provisions of the said Convention are from this date extended and applied to the Island of Porto Rico.

You will advise the Department by cable of the date of the notification.

I am [etc.]

ROBERT LANSING

File No. 811.5241/80b

The Secretary of State to the British Ambassador

No. 1306

DEPARTMENT OF STATE,
Washington, August 31, 1916.

EXCELLENCY: Referring to your note of February 5, 1914, and to the Department's reply of March 6 following, in regard to the applicability to Porto Rico of the provisions of the Treaty of 1899 between the United States and Great Britain relative to the tenure and disposition of real and personal property, I have now the honor to inform you that the Senate, having by its resolution of August 29, 1916, advised and consented to such notice being given, the American Embassy at London, has this day been instructed to give to His Britannic Majesty's Government, in conformity with paragraph 3 of Article IV of the said Convention, formal notice, by direction of the treaty-making power of the United States, that the provisions of the said Convention are extended and applied to the Island of Porto Rico.

I have [etc.]

ROBERT LANSING

File No. 811.5241/83, 84

Ambassador Page to the Secretary of State

AMERICAN EMBASSY,
London, October 23, 1916.

SIR: I have the honor to enclose herewith a copy of the notice sent to the British Government, under date of September 13, 1916, that the Convention between the United States and Great Britain relative to the tenure and disposition of real and personal property was extended and applied to Island of Porto Rico.

I have [etc.]

WALTER HINES PAGE

[Inclosure 1]

Chargé Laughlin to Viscount Grey

AMERICAN EMBASSY,
London, September 13, 1916.

MY LORD: I have the honor to acquaint your lordship that under paragraph 3 of Article IV of the Convention between the United States and Great Britain relative to the tenure and disposition of real and personal property, signed at Washington on March 2, 1899, the Senate of the United States on August 29 last adopted a resolution advising and consenting to the giving of notice by the President through the American Ambassador at London "that the provisions of said convention are, by direction of the treaty-making power of the United States, extended and applied to the Island of Porto Rico."

Following this action by the Senate the Secretary of State has instructed me to address to your lordship the communication which I have the honor to transmit herewith enclosed.

I have [etc.]

IRWIN LAUGHLIN

[Subinclosure]

By direction of the treaty-making power of the United States, the undersigned Chargé d'Affaires of the United States of America has the honor, in conformity with paragraph 3 of Article IV of the Convention between the United States and Great Britain relating to the tenure and disposition of real and personal property, signed at Washington on March 2, 1899, hereby to give formal notice to His Britannic Majesty's Government that the provisions of the said Convention are from this date extended and applied to the Island of Porto Rico.

IRWIN LAUGHLIN

AMERICAN EMBASSY,
London, September 13, 1916.

[Inclosure 2]

The Secretary of State for Foreign Affairs to Chargé Laughlin

FOREIGN OFFICE,
September 23, 1916.

SIR: I have the honour to acknowledge the receipt of your note of the 13th instant, in which, by direction of your Government, you inform me that in accordance with a resolution adopted by the Senate of the United States, the provisions of the Convention of March 2, 1899 between the United Kingdom and the United States relative to the disposal of real and personal property are extended and applied to the Island of Porto Rico, from that date.

I have [etc.]

For the Secretary of State:
W. LANGLEY

OVERFLOW OF THE WATERS OF THE LAKE OF THE WOODS

File No. 711.4216L/54

The Secretary of State to the British Ambassador

No. 18

DEPARTMENT OF STATE,
Washington, May 19, 1913.

EXCELLENCY: I have the honor to advise you that the Secretary of War has referred to this Department a telegram from the President of the Warroad Commercial Club, of Warroad, Minnesota, to the effect that the Lake of the Woods is flooding land on the American side of the boundary between the United States and Canada and that such flooding is due to the dam at Kenora, Ontario. It is stated that the water may be lowered if the Canadian authorities will remove the stop logs in the dam; and the good offices of the War Department are sought with a view to immediate action in order that extensive damage may be prevented at Warroad.

I shall be greatly obliged if you will bring this matter to the attention of the Canadian authorities and advise the Department of their reply.

I have [etc.]

For the Secretary of State:
J. B. MOORE

File No. 711.4216L/66

*The British Ambassador to the Secretary of State*BRITISH EMBASSY,
Washington, January 23, 1914.

MY DEAR MR. SECRETARY: You will recollect that on May 19 last you submitted to me a protest regarding the flooding of lands adjacent to the Lake of the Woods on the American side of the boundary. On June 17 the Canadian Government forwarded to me a reply to this protest setting forth the action already taken in the premises by the competent authorities. I find that through a clerical oversight this reply was never transmitted to you, and I therefore now beg to enclose copy of a despatch from the Lieutenant Governor of Ontario to the Canadian Secretary of State, dated June 9 last giving information as to the action taken.

In this connection, I venture to ask you for certain information relating to the Lake of the Woods. My attention has recently been drawn to statements made in various quarters to the effect that similar protests regarding damage caused by floods from this Lake have in past years been received by my Government through the Department of State. Inasmuch as I have as yet been unable to discover in the archives of the Embassy any trace of such a protest having been made, I should be much obliged if you could inform me whether there is any record in your Department of representations having been made either to this Embassy or to the Foreign Office in London on this subject.

I am [etc.],

CECIL SPRING RICE

[Inclosure]

*The Lieutenant Governor of Ontario to the Secretary of State of Canada*GOVERNMENT HOUSE,
Toronto, June 9th, 1913.

SIR: I have the honour to refer to your despatch of the 28th ultimo, No. 1550, with reference to water levels of the Lake of the Woods, and to inform you that I am advised by my Deputy Minister of Public Works that the matter has already received the attention of his Department.

The caretaker of the dam at Keewatin reported by wire on May 12 giving reading of gauge of Lake of the Woods as 100. and on May 15, by letter, 99.90, the number of logs out of the dam was reported as 103.

The highest reading of the gauge during the present season was 100.2 on May 11; this level is not above the normal for the month of May.

The United States Government in the year 1906 requested that the minimum elevation of 7.2 be maintained on the gauge at Warroad Harbour in Minnesota. This elevation would be approximately equivalent on 100.9 on the Keewatin gauge.

I have [etc.],

J. M. GIBSON

File No. 711.4216L/63

*The Secretary of State to the British Ambassador*DEPARTMENT OF STATE,
Washington, February 26, 1914.

MY DEAR MR. AMBASSADOR: I beg to acknowledge the receipt of your personal note of January 23 last, relative to the action taken by the Canadian authorities in the matter of the protest made against the flooding of lands on the American side of the boundary by the dam at Kenora, Ontario.

With reference to your request for information as to whether this Government has, in the past, made to the British Government protests regarding damage done to property in the United States by the waters of the Lake of the Woods, similar to that contained in the Department's note of May 19 last, I beg to bring to your notice the fact that on May 6, 1905, this Department addressed to your Embassy a note on the subject of the level of the Lake of the Woods, calling attention to its variations during the preceding year and to the desirability of maintaining the level at or above the datum of 7.2 feet on the Warroad harbor gauge for the benefit of navigation on the lake. The Department, in this note, expressed its opinion that the level of the lake might easily be controlled by inserting or removing stop planks in the dam near Rat Portage, which the Department understood had passed to the control of the provincial government of Ontario, and suggested the possibility of reaching an agreement with the Canadian authorities whereby the dam could be so operated as to prevent the level of the lake from falling below the datum of 7.2 feet. Under date of September 27, 1906, another note was addressed to the Embassy, asking that the subject be recalled to the notice of the Canadian authorities. Aside from the note of May 19, 1913, referred to by you, there appears to be no record in this Department of any further correspondence with the British Government regarding injuries to American interests by the waters of the Lake of the Woods.

I am [etc.]

For the Secretary of State:

J. B. MOORE

File No. 711.4216L/74

The Mayor of Warroad to the Secretary of State

WARROAD, MINN., July 6, 1915.

Extreme high water in Lake of the Woods caused by dam at Kenora, Ontario, is causing great damage to farmers on Minnesota side. A lot of land is washing away and roads leading into Warroad are flooded. Kindly take action to give us immediate relief.

T. F. SPREITER

File No. 711.4216L/74

The Secretary of State to the British Ambassador

No. 831

DEPARTMENT OF STATE,
Washington, July 8, 1915.

EXCELLENCY: Referring to the Department's note No. 18, of May 19, 1913, and your excellency's reply of June 23, 1914, concerning the level of the Lake of the Woods, I have the honor to advise you of the receipt of a telegram from the Mayor of Warroad, Minnesota, reporting that the overflow of the lake is at present causing great damage to farmers in Minnesota. He states that the land is being washed away and that the roads leading to Warroad are flooded. He attributes the extreme height of the water to the dam at Kenora, Ontario.

I shall be greatly obliged, therefore, if you will bring the matter to the attention of the Canadian authorities in order that they may take such steps as may be deemed necessary to insure the maintenance of the level of the lake at the normal elevation. I shall appreciate it if you will advise me of the reply of the Canadian authorities.

I have [etc.]

ROBERT LANSING

File No. 711.4216L/76

*The Governor of Minnesota to the Secretary of State*EXECUTIVE DEPARTMENT,
St. Paul, July 10, 1915.

DEAR MR. SECRETARY: Citizens of Warroad, Minnesota, are greatly disturbed on account of the high water conditions at Warroad and in its vicinity. As I understand it, relief could be had if the stop logs were removed from the dam at Kenora in Canada. The Mayor of Warroad has wired you, and I have been asked to write you.

I fear the State Department can do nothing to relieve the situation at once, but because there is a pressing need, I am addressing you in the hope that there may be some way in which, through the good offices of the State Department, a greater amount of water may pass over the Kenora Dam.

Very truly yours,

W. S. HAMMOND

File No. 711.4216L/76

*The Secretary of State to the Governor of Minnesota*DEPARTMENT OF STATE,
Washington, July 26, 1915.

SIR: I have the honor to acknowledge the receipt of your letter of July 10, 1915, wherein, on behalf of the citizens of Warroad, Minnesota, who are greatly disturbed on account of the high water conditions there, you urge that steps be taken to the end that the Canadian authorities may be moved to permit a greater amount of water to pass over the Kenora Dam, by removing the stop logs at Kenora, Canada.

In reply I have the honor to say that this matter was brought to the attention of the British Ambassador on July 8, with a request that he bring it to the notice of the Canadian authorities, in order that the necessary steps might be taken to insure the maintenance of the level of the Lake of the Woods at its normal elevation, and the Department is hopeful that the conditions complained of have improved by this time.

I have [etc.]

ROBERT LANSING

File No. 711.4216L/83

*The United States Counsel before the International Joint Commission to the Secretary of State*DEPARTMENT OF STATE,
Washington, August 3, 1915.

DEAR MR. LANSING: The International Joint Commission has called a series of meetings to be held from September 7, to September 15, 1915, inclusive, at Warroad, International Falls, and Kenora, for the purpose of taking further testimony in the case of the Lake of the Woods.

At these meetings the inquiry will be directed primarily to the reception of evidence from the fishing and harbor and navigation interests, and from those whose lands will be submerged or partially submerged at the level or range of levels which the commission will recommend.

Reference of this case to the commission was made June 27, 1912:

1. In order to secure the most advantageous use of the waters of the Lake of the Woods and of the waters flowing into and from that lake on each side of the boundary for domestic and sanitary purposes, for navigation and transportation purposes, and for fishing purposes, and for power and irrigation purposes, and also in order to secure the most advantageous use of the shores and harbors of the lake and of the water flowing into and from the lake, it is practicable and desirable to maintain the surface of the lake during the different seasons of the year at a certain stated level; and if so, at what level?

2. If a certain stated level is recommended in answer to question 1, and if such level is higher than the normal or natural level of the lake, to what extent, if at all, would the lake, when maintained at such level, overflow the lowlands upon its southern border, or elsewhere on its border, and what is the value of the lands which would be so submerged?

3. In what way or manner, including the construction and operation of dams or other works at the outlets and inlets of the lake or in the waters which are

directly or indirectly tributary to the lake or otherwise, is it possible and advisable to regulate the volume, use, and outflow of the waters of the lake so as to maintain the level recommended in answer to question 1, and by what means or arrangement can the proper construction and operation of regulating works or a system or method of regulation be best secured and maintained in order to insure the adequate protection and development of all the interests involved on both sides of the boundary, with the least possible damage to all rights and interests, both public and private, which may be affected by maintaining the proposed level?

Particular attention will be paid at this meeting to evidence as to the value of the lands which would be submerged, if the level or levels to be recommended are maintained. Much damage has already been done by the submersion of lands, and if the findings of the commission should be adopted by the two Governments, this damage to private interests and lands will, of course, be permanent, as many farms, particularly on the American side, will either be partially or totally submerged.

I have studied carefully the history of this case, some of the hearings of which were held before my appointment, and I am also familiarizing myself with the maps which have already been issued, and with conditions generally.

I fully appreciate the importance of watching the testimony regarding values, and at the meetings shall be prepared to cross-examine witnesses and to produce whatever testimony may be necessary in order that the interests of the United States may be fully protected, and the commission may faithfully report upon the question regarding "the value of the lands which would be submerged," at the level or range of levels which the commission will recommend to the two Governments.

I have [etc.] -

MANTON M. WYVELL

File No. 711.4216L/82

The British Ambassador to the Secretary of State

No. 309

BRITISH EMBASSY,
Washington, August 4, 1915.

SIR: I have the honour to inform you that I telegraphed to the Canadian authorities immediately upon the receipt of your note No. 831 of July 8 on the subject of the overflow of the Lake of the Woods. In reply I am informed that the Provincial authorities, who have control of the dam, report that 115 logs were removed from the Norman Dam at Kenora before July 24 while 27 more were removed on July 24 and 26, making a total of 142 logs up to date.

I trust that these measures have brought about an improvement in the state of affairs described by the Mayor of Warroad.

I have [etc.]

For the Ambassador:
COLVILLE BARCLAY

File No. 711.4216L/84

The Secretary of State to the British Ambassador

No. 890

DEPARTMENT OF STATE,
Washington, November 3, 1915.

EXCELLENCY: Referring to your note of August 4, 1915, relative to the overflow of the Lake of the Woods, I have the honor to inform you that, in a letter of September 7, 1915, the Governor of Minnesota, in response to the Department's letter informing him that one hundred and forty-two logs were removed from the dam at Kenora in July last, advised me that the Mayor of Warroad was informed of this fact, but had, under date of August 31 last, advised the Governor that, while the removal of these logs had reduced the water height about seventeen inches, the logs had been replaced in the dam on August 22.

The Department will be glad if you will take steps to the end that this report may be investigated, and, if found to be true, that such action be taken as will insure the future maintenance of the level of the lake at its normal elevation.

I have [etc.]

ROBERT LANSING

File No. 711.4216L/89

The British Ambassador to the Secretary of State

No. 444

BRITISH EMBASSY,
Washington, December 27, 1915.

SIR: I duly referred to the Government of Canada your note of the 3d ultimo, No. 980, relative to the overflow of the Lake of the Woods and the reported replacing of certain logs in the dam at Kenora which had been previously removed. You were so good as to ask that steps might be taken to have the report investigated and that, if found to be true, such action might be taken as would ensure the future maintenance of the level of the lake "at its normal elevation."

I have now received a reply from the Governor General of Canada pointing out that the question of the overflow of the Lake of the Woods is now in the hands of the International Joint Commission for investigation, and for the final determination of the regulated level to be maintained which will satisfy as far as possible navigation, power and land interests.

The level of the lake is partly maintained by a dam at the outlet near Kenora, and this dam has, so far, always been operated by the Ontario Government in the interests of navigation, great care being exercised at the same time not to affect other interests. Stop logs in the dam are placed or removed to keep the level of the lake within certain limits. What constitutes a "normal" or "desirable elevation" of the lake level to be maintained, in order best to serve all interests, is a difficult matter to determine. The information of the Canadian Department of Public Works in regard to this is to the effect that the engineers of the Joint Commission have not yet reached a conclusion on the point.

The Canadian Government hope that when the International Joint Commission give their decision, a joint international control of the level will be arranged which will be satisfactory to all concerned.

I have [etc.]

CECIL SPRING RICE

File No. 711.4216L/92

The International Joint Commission to the Secretary of State

WASHINGTON, February 29, 1916.

SIR: I have the honor to inform you that the International Joint Commission having concluded its hearings on the reference by the United States and Canada in the matter of the levels of the Lake of the Woods and its tributary waters and their future regulation and control, has appointed the city of Washington as the place and the 4th day of April next as the time when final argument of all interests involved in the investigation will be heard. Arguments will be heard beginning at 10 a. m., on April 4th, at the commission's offices at the Southern Building.

I am [etc.]

WHITEHEAD KLUTTZ,
Secretary

File No. 711.4216L/95

The Secretary of State to the British Ambassador

No. 1169

DEPARTMENT OF STATE,
Washington, May 8, 1916.

EXCELLENCY: In a letter of the 28th ultimo,¹ the Secretary of War advises this Department that, in connection with surveys of the Northern and Northwestern Lakes, the War Department has been directed by Congress to make a survey of the Lake of the Woods and other boundary and connecting waters between the said lake and Lake Superior. The object of the surveys in that locality by the War Department is to obtain hydrography only, for the purpose of making maps for use in navigation, and it is added that the results of previous surveys made for other purposes by the International Boundary Commission and by the International Joint Commission will be availed of so far as practicable in the work by the War Department, which is substantially an extension of the previous surveys of the above-named commissions.

It further appears that the charts to be made will be similar in character to the charts of the Northern and Northwestern Lakes issued by the War Department through the United States Lake Survey Office and will benefit Canadian as well as United States commerce. To the end that the charts shall best fulfil their main purpose, viz: use by navigators, it has been customary to embody in these surveys the contiguous and related Canadian waters.

It is proposed to commence this survey at the beginning of the working season this year, in the southwestern portion of the Lake

¹ Not printed.

of the Woods which lies within the United States; about June 1 next it will be desirable to extend the work into Canadian waters in and near Buffalo Bay. The survey party will consist of about eight to ten men, the work will be almost entirely the taking of soundings from motor-launches and rowboats and it will be necessary to place a number of temporary ranges on them. The location of the international boundary line with reference to the areas mentioned is shown on the accompanying outline map of a portion of the Lake of the Woods.¹

The Secretary of War asks that information be obtained through your Embassy as to whether there will be any objection on the part of the Canadian Government to the extension of the surveys of the Lake of the Woods to include the Canadian waters in and near Buffalo Bay, and he points out that, as the organization for the work is now in progress, an early reply will be appreciated.

I shall be grateful if you will bring this matter to the attention of the Canadian Government in the sense indicated by the letter from the Secretary of War.

I have [etc.]

ROBERT LANSING

File No. 711.4216L/96

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, May 16, 1916.

EXCELLENCY: I have the honor to inform you that the following telegram regarding the waters of the Lake of the Woods has just been received from the Mayor of Warroad, Minnesota:

Water in harbor has been constantly rising until now it is the highest it has ever been, one foot and three inches above your Government gauge. Parts of our city are suffering great damage; also fine farms all under water. We wish that something could be done to give us relief.

I should greatly appreciate it if you would have the kindness to bring this matter to the attention of the appropriate Canadian authorities for their careful consideration. Perhaps such a temporary alteration of the dam at Kenora could be made as would relieve the conditions complained of which the Department presumes are due to the usual spring rains.

I have [etc.]

ROBERT LANSING

File No. 711.4216L/98

The British Ambassador to the Secretary of State

No. 144

BRITISH EMBASSY,
Washington, May 24, 1916.

SIR: With reference to your note of May 16 forwarding a complaint by the Mayor of Warroad respecting the height of the water in the harbour of that town, I have the honour to inform you that

¹ Not printed.

a despatch has now been received from the Governor General of Canada, to whom the matter was immediately referred, stating that all the logs have been removed from the dam at the outlet of the Lake of the Woods so that at the present time all the water that the outlet is able to discharge is passing through. Rainy and Namakan Lakes, however, are full to overflowing and are discharging a very large quantity of water into Rainy River. This water cannot be stored as all reservoirs are full and it is impossible to do more than is now being done to alleviate the conditions of which complaint is made.

I have [etc.]

CECIL SPRING RICE

File No. 711.4216L/99

The British Ambassador to the Secretary of State

No. 147

BRITISH EMBASSY,
Washington, May 29, 1916.

SIR: With reference to my note No. 144 of the 24th instant I have the honour to forward to you, herewith, copies of two reports made to the Canadian Deputy Minister of Public Works which more fully explain existing conditions which gave rise to the complaint of the Mayor of Warroad respecting the height of the water in the harbour of that town.

It will be observed that the conditions obtaining are abnormal, that all regulation works are wide open but that lake elevations are still rising. It appears that nothing can be done until these conditions abate.

I have [etc.]

CECIL SPRING RICE

[Inclosure 1]

*The Engineer of the Upper St. Lawrence District to the Deputy Minister,
Department of Public Works, of Canada*

UPPER ST. LAWRENCE DISTRICT ENGINEER'S OFFICE,
Ottawa, May 15, 1916.

DEAR SIR: I beg to acquaint you with the following memoranda with regard to water conditions over the Lake of the Woods tributary waters.

This office is in daily communication by night telegram with the Fort Frances office during the present period of excessive high water, most particularly for the benefit of the Lake of the Woods Technical Board and the International Joint Commission.

Namakan Lake is tributary to Rainy Lake and its waters are controlled by Kettle Falls by masonry dams owned by the Minnesota & Ontario Power Co., and the Ontario & Minnesota Power Co., of International Falls, Minnesota and Fort Frances, Ont.

The control is by stop log sluice ways. The plans of the dams, and as they are built, were approved by the Department of Public Works in 1914, one of the conditions of approval being as follows:—

That the company agree that the control of the flow past the section shall be regulated solely by such officers or persons as may be hereafter appointed for the purpose by the Minister of Public Works, and that, in case of any difference of opinion, the ruling of the Minister of Public Works for Canada shall prevail.

In accordance with this clause, Mr. S. J. Chapleau, District Engineer of the Department of Public Works, was authorized to arrange for the control of the flow and, after consultation with the United States engineers and other parties if necessary, to fix the

extreme high-water level. Following this, an arrangement was made and agreed to between Mr. Chapleau as representing the Dominion Department of Public Works, and Col. C. L. Potter, of the Corps of Engineers, representing the United States interests, whereby the high limit of lake regulation was fixed at elevation 508.5, subject to reconsideration by either Government or by the International Joint Commission.

This secures a regulation between 508.5 and the 497 or lower, should Rainy Lake be drawn down.

Extraordinary high water conditions prevail over the whole of the northern waters catch basins east of Manitoba at the present time to such an extent that even with the control wide open lake elevations are still rising.

Please note the following copy of wire received from Fort Frances this morning.

Namakan elevation yesterday 510.90 and rising three inches per day, all sluices Namakan dam being opened to-day. Rainy Lake yesterday 498.15, upper 498.80, lower 472.50, discharge 23,721 second feet. Rainy Lake to-day 498.25, upper 497.00, lower 492.55, discharge about 24,500 water flowing over dam.

This telegram has been communicated to the International Joint Commission.

Nothing more can be done to reduce the abnormal high water; Namakan Lake, Rainy Lake and Lake of the Woods are filled beyond their capacity and all regulation works are wide open.

S. J. CHAPLEAU

[Inclosure 2]

The Hydrographic Survey to the Deputy Minister of Public Works of Canada

HYDROGRAPHIC SURVEY,
Ottawa, 18th May, 1916.

SIR: Over the telephone this morning I had a conversation with Mr. Chapleau, at Kingston, and he is worrying quite a lot over the condition of the water in Rainy and Namakan Lakes, in the Lake of the Woods District and he asked me to have some talk with you over the matter, but unfortunately you were very busy this morning and I have just learned that I cannot get in touch with you this afternoon before I leave for Montreal.

The fact is the whole district is inundated at the present time, all the lakes and reservoirs are full to overflowing and there is no place to store any water; the International Joint Commission and the Technical Board are worrying as well as Mr. Chapleau. The Lake of the Woods outlet is as wide open as it can be made and still the water in the Lake is rising; Rainy Lake is discharging $2\frac{1}{2}$ times its mean flow, rather more than Lake of the Woods can take care of; Namakan Lake is full and flowing 2 ft. over the top of the dam at the outlet, so that there is nothing that either Mr. Chapleau or the rest of us can do until conditions abate.

I dare say you are aware that there was an unusually heavy snow fall in that district during the past winter and there have been some pretty heavy rain storms this spring. You will remember that there was a complaint about flood condition in the Rosseau and Red Rivers, this is part of the same district and there seems little to do.

WM. J. STEWART

File No. 711.4216L/98

The Acting Secretary of State to the British Ambassador

No. 1199

DEPARTMENT OF STATE,
Washington, May 31, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your note No. 144, of May 24, 1916, in which, in response to the Department's note of the 16th instant concerning the complaint made by the Mayor of Warroad respecting the height of the water in the harbor of that town, you advise the Department of the receipt of a despatch from the Governor General of Canada to the effect that all the logs have been removed from the dam at the outlet of the Lake of the

Woods, so that at the present time all the water that the outlet is able to discharge is passing through; that Rainy and Namakan Lakes, however, are full to overflowing, discharging a very large quantity of water into Rainy River; that this water cannot be stored, since all reservoirs are full; and that it is impossible to do more than is now being done to alleviate the conditions of which complaint is made.

In reply I have the honor to express the Department's appreciation of the prompt action in this matter taken by your Embassy and the Canadian authorities.

I have [etc.]

FRANK L. POLK

File No. 711.4216L/101

The British Ambassador to the Secretary of State

No. 164

BRITISH EMBASSY,
Washington, June 7, 1916.

SIR: I did not fail to refer to the Canadian Government your note No. 1169 of the 8th ultimo enquiring whether they would have any objection to the extension of the survey of the Lake of the Woods, ordered by Congress, to include the Canadian waters in and near Buffalo Bay.

I have now received a telegraphic reply from the Governor General stating that they have no objection to the extension of the survey as mentioned.

I have [etc.]

CECIL SPRING RICE

File No. 711.4216L/103

The British Ambassador to the Secretary of State

No. 185

BRITISH EMBASSY,
Washington, June 27, 1916.

SIR: With reference to your note of the 6th instant,¹ and to previous correspondence respecting the rise of the waters of the Lake of the Woods, I have the honour to inform you that I have now received a further despatch from the Governor General of Canada on this subject, in which it is explained that the statement originally made in my note No. 144 of the 24th of May, to the effect that all the logs had been removed from the dam at the outlet of the Lake, was incorrect. It appears that the officer of the Hydrographic Survey in charge of this work was misinformed on the point, though all the logs which could possibly be removed at the time were taken out. On the 13th June, the date of the latest report, two hundred and fifty-six logs had been removed, and it is understood that only six were still in place. Every effort was being made to take out these remaining logs, but considerable difficulty was being experienced in doing so.

The Canadian authorities ask me to convey to you their regret that the previous information with regard to this matter should have been incorrect.

I have [etc.]

For the Ambassador:
COLVILLE BARCLAY

¹ Not printed.

File No. 711.4216L/103

*The Secretary of State to the British Ambassador*DEPARTMENT OF STATE,
Washington, July 5, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of June 27, 1916, in further relation to the rise in the waters of the Lake of the Woods.

In reply I have the honor to say that a copy of your note has been communicated to the International Joint Commission for its information in connection with the previous correspondence.

I have [etc.]

ROBERT LANSING

GREECE

ABROGATION OF PROVISIONS OF CERTAIN TREATIES CONFLICT-
ING WITH THE SEAMEN'S ACT OF MARCH 4, 1915.—ACCEPTANCE
OF ABROGATION BY GREECE.

(*See* Belgium)

GUATEMALA

AGREEMENT BETWEEN THE UNITED STATES AND GUATEMALA EXTENDING TIME FOR APPOINTMENT OF THE COMMISSION UNDER ARTICLE II OF THE TREATY OF SEPTEMBER 20, 1913, EFFECTED BY EXCHANGE OF NOTES

Treaty Series No. 598-B]

The Secretary of State to the Minister of Guatemala

DEPARTMENT OF STATE,
Washington, June 1, 1916.

SIR: It not having been found possible to complete the International Commission provided for in the Treaty of September 20, 1913, between the United States and Guatemala, looking to the advancement of the general cause of peace, within the time specified in the treaty and extended by the notes exchanged between us on November 3, 1915, I have the honor to suggest, for the consideration of your Government, that the time within which the organization of the Commission may be completed be extended by an exchange of notes from January 1, 1916, to July 1, 1916.

Your formal notification in writing of the same date as this that your Government receives the suggestion favorably, will be regarded on this Government's part as sufficient to give effect to the extension, and I shall be glad to receive your assurance that it will be so regarded by your Government also.

Accept [etc.]

ROBERT LANSING

The Guatemalan Minister to the Secretary of State

LEGACIÓN DE GUATEMALA,
Washington, June 1, 1916.

YOUR EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of this morning referring to it not having been found possible to complete the International Commission provided for in the Treaty of September 20, 1913, between the United States and Guatemala, looking to the advancement of the general cause of peace, within the time specified in the treaty and extended by the notes exchanged between your excellency and myself on November 3, 1915, and suggesting that the time within which the organization of the Commission may be completed be extended by an exchange of notes from January 1, 1916, to July 1, 1916.

I beg to inform your excellency that your excellency's suggestion has been favorably received by my Government and that therefore with your excellency's Government's acquiescence through this exchange of notes we consider the time, for the completion of the said International Commission, extended until July 1, 1916.

I avail [etc.]

JOAQUÍN MÉNDEZ

MESSAGE OF THE PRESIDENT, MANUEL ESTRADA CABRERA, TO
THE NATIONAL LEGISLATIVE ASSEMBLY

File No. 814.032/6

[NOTE.—The message was read to the Assembly on March 1, 1916, and transmitted to the Secretary of State on March 14, 1916, by the American Minister. The following are the only passages referring to the United States.]

[Translation]

Guatemala took a brilliant part in the Panama-Pacific International Exposition, opened on February 20 and closed on December 4, 1915, celebrating the completion of the canal which unites the two oceans and makes an open road for all the commerce of the world—an accomplishment achieved by the gigantic effort of the United States of North America.

On account of the liberal tendency of her people, who admire every great thing, Guatemala was the first to accept the President's courteous invitation, not only because of the magnitude of the undertaking but also because she could thus show to the noble American people the esteem in which they are held by the people and the Government of Guatemala.

All the ceremonies held in the Guatemalan pavilion were very popular, as we gather from the American press, especially the dedication of the pavilion on March 15, Guatemala Day, September 15, and Coffee Day, November 20. On these occasions the officials of California, the board of directors of the exposition, and San Francisco society expressed high praise of Guatemala and her Government. In all the congresses held during the exposition this Republic was represented by delegates who in many cases received the high distinction of honorary presidents, which was an undoubted honor to our country; but the most important distinction was the grand prize awarded to the coffee, bananas, cocoa and rubber of Guatemala, in competition with the best products of other nations, which is indeed gratifying to our patriotic pride. Besides the above-mentioned grand prizes, we were awarded 32 medals of honor, 69 gold medals, 99 silver medals, 88 bronze medals, and 327 honorable mentions, without counting the commemorative diplomas.

In accordance with a resolution of the Pan American Financial Congress held in Washington from the 24th to the 29th of May, it was decided to establish a financial committee in each of the participating countries. Therefore, by a decree issued on August 7, the Guatemalan Committee was organized under the chairmanship of the Secretary of Finance and Public Credit. The above-mentioned committee is at present studying the subjects that are to be dealt with in the Buenos Aires conference which is to meet on the 3d of next April, from which is expected a real benefit to the commerce and finances of America.

The European war has demonstrated to the nations of America that theirs should be a policy of close friendship, good understanding and unity. The spirit of Pan Americanism has taken hold in every one of these nations and Guatemala felt that she should participate in this movement which is a consequence of obvious needs, **stands** for noble aspirations and interprets the ancient and patriotic

ideals of the great men of the three Americas, who dreamt of the real and practical union of the free nations comprising them.

Consistent with these ideas, the Government of the Republic participated through its representatives in the deliberations of the financial conference held at Washington in the month of May, in which all the American countries discussed financial questions, both economic and commercial, and at the same time initiated a new era in business, which will undoubtedly be beneficial to the mutual interests of the participating countries.

A spirit of fraternity and cooperation was also manifested in their memorable deliberations. I refer to the Second Pan American Scientific Congress, which met in the latter part of last year in the City of Washington; in it a road was opened where justice would obtain in all the nations by founding an American Institute of International Law, and a new situation arose in the political life of these nations, the suitability of all uniting as one, reciprocally to safeguard their complete political independence and their territorial integrity, the solution of their frontier questions, the settlement of their misunderstandings and disputes by means of arbitration; of all agreeing that no one of the American countries would allow revolutionary expeditions to leave its soil to attack another American State, nor permit revolutionists of one American State to supply themselves with war munitions in any other. Based upon such principles, treaties will be entered upon in legal form by the respective Governments.

Another beneficial result of these ideals is the joint action of several American Governments to procure the pacification of Mexico. The Government of Guatemala was invited to participate in the mediation together with the United States, the Argentine Republic, Bolivia, Brazil, Chile and Uruguay. The situation of Mexico was discussed at a number of meetings held in the cities of Washington and New York; as a result, the Government of General Carranza was recognized as a *de facto* government, considering that he had under his authority the greater part of Mexican territory. It is to be hoped that this step, which was immediately ratified by the remaining countries of America and afterwards by the European Powers, may contribute to the reestablishment of peace in the neighboring Republic. As States immediately adjoining Mexico, Guatemala and the United States of North America have suffered some of the consequences of the troubled conditions of that nation, both Governments having been obliged to take the proper precautions to have neutrality respected and to protect the inhabitants of the frontier localities; and, thanks to such measures, I am very glad to inform you, Gentlemen of the Congress, that the perturbations resulting from such a state of affairs have been suppressed energetically and quickly, and therefore peace and order follow their normal course.

The ties which unite us to the United States are every day growing closer and more cordial. I have already mentioned some of the congresses of a Pan American nature which have brought together the governments of the continent, with one another and very specially with their originator—the Government of the United States—and with the political and economic elements of the Great Republic.

HAITI

POLITICAL AFFAIRS—CONTINUANCE OF OCCUPATION BY AMERICAN FORCES¹; CONVOCAION OF A CONSTITUENT ASSEMBLY

File No. 830.00/1380

Admiral Caperton to the Secretary of the Navy

[Telegram]

PORT AU PRINCE, *January 8, 1916.*

Disturbance Wednesday morning Port au Prince part of well-organized plot covering Port au Prince, Les Cayes and South Haiti in general. Those engaged belonged to the black party as distinguished from mulatto. Leaders in Port au Prince were Pierre Paul, Misael Codio, Pradel, Annabel Hilaire and Philogene. Latter three with several other minor leaders have been captured and confined. Pierre Paul and Misael Codio escaped. This movement appears was made in favor of ex-Senator Paulin or Pauleus Sannon for President. Plot contemplated assassination of President. North Haiti entirely quiet does not seem to be concerned in this affair. No cause for alarm situation well in hand.

W. B. CAPERTON

File No. 838.00-1374

Minister Russell to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Santo Domingo, January 10, 1916, 6 p. m.

Foreign Office has just advised me of a cable received from Dominican Legation, Port au Prince, dated eighth, as follows: Armed manifestation against Americans, several important arrests, grave events awaited. Dominican Minister left.

RUSSELL

File No. 838.00/1375

Secretary of Legation Davis to the Secretary of State

DEPARTMENT OF STATE,
Washington, January 12, 1916.

SIR: I have the honor to submit herewith a memorandum of the events attending the overthrow of President Vilbrun Guillaume Sam and the happenings immediately thereafter.

I regret that press of work at the Legation made it impossible for me to prepare this report during the time I was on duty at Port au Prince as Chargé d'Affaires. I have now prepared the same from notes and memoranda made at the time.

I have [etc.]

R. B. DAVIS, JR.

¹ Continued from For. Rel. 1915, pp. 461-495.

[Inclosure]

MEMORANDUM

Summary of conditions existing in the Republic of Haiti immediately prior to the overthrow of the Government of President Vilbrun Guillaume Sam, and of events attending the overthrow of that Government

Pursuant to the request that I prepare a statement of the events attending the overthrow of the Government of President Vilbrun Guillaume Sam and of his assassination, I have the honor to submit the following report:

Since 1886—when General Salomon completed his first term of office—there have been twelve Presidents of Haiti, no one of whom has served his full term of seven years. Of these twelve, four have been killed and six driven from office.

Below is given a list of these Presidents with the duration of their respective terms:

General Salomon-----	1879-1886 (full term)
General Salomon-----	1886-1888 (killed after two years)
General Hippolyte-----	1889-1896 (died near close of term)
General Simon Sam-----	1896-1903 (overthrown)
General Nord-----	1903-1908 (overthrown)
General Antoine Sam-----	1908-1911 (overthrown)
General Cincinnatus Leconte-----	1911-1912 (killed in office)
General Tancrede Auguste-----	1912-1913 (killed in office)
General Michel Oreste-----	1913-1914 (overthrown)
General Oreste Zamor-----	1914-Jan. to December (overthrown)
General Davilmar Theodore-----	1914-1915-Dec. to April (overthrown)
General Vilbrun Guillaume Sam-----	1915-April to July (killed in office)
Senator Sudre Dartiguenave-----	1915-

Before recounting the events of the 27th and 28th of July, 1915, when the Sam Government was overthrown and the President assassinated, I beg to recall briefly to your attention the conditions which existed in the Republic of Haiti immediately prior to this time, conditions which alone made possible the appalling atrocities accompanying the overthrow of this Government.

At the time of my arrival at Port au Prince in August, 1914, General Davilmar Theodore, at the head of a revolutionary army, was attempting the overthrow of the Zamor Government.

This rebellion had been in progress since the inauguration of President Oreste Zamor, who, as a successful revolutionary chief, only a few months prior to this time, had overthrown the Government of President Michel Oreste, after which the Haitian Congress had met and elected him President of Haiti. Prior to my arrival, the revolution of Theodore had assumed such alarming proportions that President Zamor had left Port au Prince personally to assume command of the Government troops in the north.

The Davilmar Theodore Revolution, as are all revolutions in Haiti, was successful. President Zamor after having been forced to retreat as far south as the town of Gonaives, with the remnant of his army which had not already deserted and joined the revolutionists, was there surrounded; and seeing that further resistance was futile he abandoned his army, boarded a steamer and left the Island without ever having been able to return to the Capital.

As soon as the news that President Zamor had quit the country reached Port au Prince, the members of his Cabinet, who in his absence had been charged with the conduct of the affairs of the Government, at once abandoned their posts and sought asylum in the foreign Legations, and for three days chaotic conditions prevailed in Port au Prince as well as in all other parts of the Island. There was no Government of any sort, and in the Capital a self-appointed Committee of Public Safety was the sole authority to which one might look for protection and prevention of pillage, burning, and other forms of disorder. These conditions prevailed until the arrival of General Theodore at the head of his army. He was at once elected President, taking the oath of office on November 10, 1914.

From the outset the Theodore Government found itself confronted by insurmountable obstacles; the treasury empty, revolutionary debts multitudinous, and practically all of the Government revenues, already diminished by the stagnation of business and agriculture resultant from continued revolutions,

pledged for the payment of loans contracted by previous Governments. One instance will suffice to illustrate the penniless condition of this Government. A schooner, loaded with coal destined for the use of the Haitian gunboats, *Pacifique* and *Nord Alexis*, lay for weeks at the dock with its cargo undischarged because the Government was unable to secure the relatively small sum necessary to pay for the same.

Various expedients were resorted to by the Government in its efforts to rehabilitate the finances of the Republic. An issue of 8,000,000 gourdes, paper currency, was authorized; but the pressing need of money to be immediately available made it impossible for the Government to await the arrival of these bills, which were being manufactured in the United States. To tide over the time until they should become available another issue of bills, to be printed at Port au Prince, was authorized. This proved to be a most disastrous move, the only result being still further to depress the value of the Haitian currency, and to increase popular dissatisfaction against the Government. These bills, printed on cheap white paper, and having nothing of the appearance of the money to which they were accustomed, would not be accepted by the Haitians of the ignorant classes. As the soldiers were paid in this currency, innumerable petty difficulties arose as a result of their attempts to force its acceptance in payment for food stuffs in local markets and other places. This money was no more acceptable to the better classes. Knowing that there was in existence a contract entered into between the Haitian Government and the National Bank of Haiti, which gave to that organization the exclusive right to issue currency, and realizing the weakness of the Theodore Government, it was feared that a succeeding Government would repudiate this issue; and therefore it was accepted only when refusal to do so might lead to trouble with the Government.

Under these conditions the Theodore Government, upon the outbreak of a revolution, could offer no effective resistance, and General Vilbrun Guillaume Sam, at the head of a revolutionary army held together by promises of reward to be had on arrival at Port au Prince, marched to the capital from Cape Haitien meeting with practically no resistance.

Although incapable of offering any real opposition, President Theodore stubbornly refused to resign, until it was feared by the people of Port au Prince that he intended, with the few Government troops which remained, to attempt to prevent the Sam forces from entering the city, and thereby cause at this place a repetition of the happenings at the town of Gonaives during the previous year, when in a fight in the streets between warring revolutionary factions a number of the townspeople had been shot and the town partially burned.

However, before the arrival of General Sam with the main body of revolutionary troops, several smaller bands arrived outside of the town, closed the roads to prevent any food stuffs from being brought into the town and at the same time cut off the water supply of the city. A message was sent to the President that until he resigned these conditions would continue. After three days, during which time no food stuffs or water came into the city, resulting in great suffering among the poorer classes, the President sent his resignation to the Senate, and embarking on a Dutch ship which was in the harbor sailed for Curaçao. Shortly thereafter General Sam entered the city at the head of the revolutionary troops, and once more the Haitian Congress met in the joint session for the election of a President. Naturally, as General Sam had several thousand troops with him within the town, the election was a mere matter of form, and on March 4, 1915, he was declared President of Haiti.

All of the above-referred to revolutions were undertaken solely for the purpose of gratifying the personal ambition and desire of the leaders for power. There was no real grievance against any of the constituted Governments, nor any reason for their overthrow which rose above the plane of a desire for power of some revolutionary chief. With certain groups of foreigners willing to advance funds for the prosecution of revolutions, when assured that upon the successful conclusion thereof they would be repaid at an enormous rate of interest, the temptation for an ambitious politician, whose conception of patriotism was to use the country for his own personal advancement, was irresistible; especially as he was practically sure that at the head of a revolutionary army he would be able to overthrow the Government and place himself in power. The fact that the advances of funds for conducting these revolutions were made at enormous interest rates, sometimes going to the extreme of advancing gourdes to be repaid by an equal number of dollars,

was not taken into consideration by revolutionary chiefs when contracting these loans. Upon the successful termination of a revolution its debts are always assumed by the Government; therefore the chiefs, inasmuch as the debts in no way affect them personally, would accept any conditions as long as the money for conducting the revolution was forthcoming.

During the early days of the Sam administration, the hope and the belief that this Government would be stable was very current. There were several causes contributing to this impression. The President was supposed to be very popular in the North, in which section all revolutions have their beginning, and it is also true that the people generally desired nothing more than to see an end of revolutionary conditions. Financially the condition of the Sam Government was very much better than that of the two preceding Governments. The arrival of a portion of the issue of paper money authorized by the preceding Government, and the passage of a law taking away from the National Bank of Haiti the service of the Treasury and placing its management in the hands of the Government itself, gave the latter sufficient funds with which to meet current demands. It is true that after the Government took over the service of the Treasury it applied to its own use all of the revenues collected, including the large proportion pledged for the payment of existing debts, and thereby subjected itself to the probability of future complications with foreign creditors who had loaned money on the faith of these guarantees. Still it was believed that by its use of these funds, even temporarily, the Government would establish itself sufficiently firmly to be able to put down any revolution which might be begun.

Although the Government itself was in a less desperate condition financially than had been the preceding Governments, the opposite was true of the people. Since each succeeding revolutionary army passed that portion of the Island between Cape Hatien and Port au Prince, living on the country as it went, all of that section was completely devastated and agriculture was practically at a standstill. Chaotic financial conditions reacted upon the business in the cities, and rapid fluctuations in currency caused practically a stagnation of all business enterprises.

The belief that the inauguration of President Sam would mean an end of revolutions and that the country would have time to recover to some extent, at least, from the enormous drain occasioned by the continual state of revolution, did not prove to be the case.

In the spring the North was again in arms; this time under the leadership of Dr. Ronsolvo Bobo, and although the Government sent a large number of troops to that section and weekly expended from 120,000 to 140,000 gourdes in maintaining this army, it seemed impossible to put down this revolution. As time went on and there was no change in revolutionary conditions in the North, there was a marked change in the policy of the Government at Port au Prince.

While every Haitian Government maintains itself by its military strength, during the latter part of the Sam administration militarism was carried to such lengths as to make the name "Republic" a farce. In effect the people lived under a military monarchy of the most absolute kind, with the President exercising a practically unhampered and unlimited authority, a condition which produced results at Port au Prince which became well-nigh unbearable. This was particularly true after it became known that a certain body of conspirators, whose identity was unknown to the Government, was furnishing financial aid to the revolutionists in the North. Every one was suspected, every one was spied on, and a denunciation by a Government agent was sufficient for throwing the suspect into prison, without according him either the formality of a trial or any opportunity to prove his innocence. Under these conditions some 200 men were imprisoned, while foreign Legations and Consulates were filled with those who, having been warned that they had been denounced, had taken refuge before the Government had had an opportunity to secure their arrest. Practically all of these prisoners and refugees were from the better classes, but conditions were no less unbearable for the laboring people.

Forced military service became so rigid that the men of the poorer class feared to go upon the streets, as the Government seized practically every man of this class capable of rendering military service, and in some cases seized boys from thirteen to fourteen years of age. Squads of soldiers were sent out into the country to search for men to augment further the ranks of the

Government troops, and returning would drive their recruits, arms pinioned behind them and tied together, to the barracks to await their time to be sent to the North.

The above set out conditions caused the Government to lose what little there remained of its popularity; yet so rigid had become its policy that no one contemplated any attempt at organized resistance or open rebellion against Port au Prince.

Under these conditions I, in common with every one else, was at an absolute loss to account for or understand its significance when on the morning of July 27 I was awakened by terrific firing down in the town. It was evident from the sound that the firing was somewhere in the neighborhood of the palace. At first I believed that it was a demonstration begun by the Government. In Haiti this is not an unknown means of inducing political refugees to leave the Legations and Consulates in which they are seeking shelter, and thereby giving to the Government an opportunity either to apprehend or shoot them. After the firing had continued for more than an hour I became convinced that this was not the case, but that it was an uprising against the Government. The firing continued for two hours without cessation, and spasmodically throughout the day. At about 8 o'clock I drove down into the town and attempted, on my way to the Legation, to discover what had happened. The streets were filled with armed men and in the one before the palace was an overturned engine which I found had been used by the attacking party as a barricade from behind which they first opened fire. I was informed that Charles de Delva and some fifty other men, all of whom had been refugees in various Consulates and Legations, had managed in some way to communicate with each other and had planned the outbreak of that morning. They had secured control of the machine guns which were in the grounds of the palace, it was reported, by having some of their sympathizers enroll themselves as members of the palace guard, and had turned the same on the guards shortly after the attack had begun, putting them to flight with a loss of about fifty men killed and 200 wounded.

The President himself and several of his officers had taken refuge in the palace and barricaded themselves there, where they were at the time that I got down into the city. I was further informed that it was the intention of the revolutionists to burn the palace and thereby force him to attempt to escape. The oil had already been sent for which was to be used, and all smaller buildings which might afford him a means of protection, should he attempt to leave the palace, had either been burned or torn down. As I went further down into the city I found squads of soldiers at practically every corner, but it was not until later in the day that I learned that these were Government troops and that the military posts in the lower part of the town held out for the Government until about eleven o'clock.

Shortly after this hour some one rushed into the Legation and said that the President had succeeded in escaping from the palace and was at that time, along with his family, a refugee in the French Legation, whose grounds adjoin those of the palace. He further stated that the President had ordered General Oscar, in command at the prison, to kill every political prisoner in case the revolutionists succeeded in driving him from the palace, and, that following these orders, General Oscar with the assistance of the jailers, had massacred all the political prisoners who were in the jail, and that General Oscar himself, who had taken refuge in the Dominican Legation, had been followed there by the father of three boys who were among those killed, had been dragged into the streets and shot before the door of the Legation.

Putting little credence in this rumor, as in revolutionary times in Haiti one always hears rumors of the wildest sort, I went around to the Dominican Legation, which is just around the corner from the American, to ascertain whether there was any truth in the report. Arriving there I found a crowd collected before the door, in the midst of which lay the body of General Oscar, already mutilated by blows from the infuriated people. So intense was the feeling of the people against Oscar that no one could be found who would touch the body to carry it away for burial, and for the rest of that day, and until some time the following morning, it lay in the gutter to be spat upon and mutilated by passers-by, when, after being saturated with oil, it was burned in the streets.

The report of the massacre at the jail proved to be no less correct, and I found that almost two hundred men had been butchered in an indescribably brutal manner. General Oscar, with a few jailers, had gone from cell to cell

opening them one by one, and driving the prisoners out into the court had there despatched their victims. The bodies lay piled together just as they had fallen, and from their appearance it looked as if every sort of weapon had been used in accomplishing the slaughter. Among the prisoners there were a few who escaped to recount later the horrors through which they had passed. One told me that when the murderers had arrived at his cell, no key could be found which would open the door. By standing back in the corner he was out of gun range, and could not be reached by a machete. After several attempts the jailers had passed on to the next cell and for some reason did not return. He was released several hours later, when the jail was entered by those who discovered the massacre. Another was struck by a machete as he stepped from his cell, and just as he fell wounded the body of another man who had been shot fell across him, shielding him from further blows. By lying perfectly still and feigning death—even the jailers, simulating a rescue party, called out for all who were not dead to seize the opportunity to escape, and thereby discovered several who like himself had fallen wounded but not killed—he escaped the fate which befell those who betrayed the fact that they were still alive. He said that even more vivid than the horror of the hours which he spent lying upon the floor soaked in his own blood and that of the dead man who had fallen across him, was the memory of the agonized prayers for death of a young boy of about eighteen whose cell was opened prior to his. He said that the jailer, whose enmity this boy had in some manner incurred, before killing him had taken a pair of tweezers and pulled out his teeth, one by one, and then gouged out his eyes. The cries of this boy as he begged the man to use his machete, he said was his one indelible impression of all the horror.

As soon as the news of the massacre in the prison became current and the people began to realize what had happened, the town became absolutely hysterical. An enormous crowd collected around the jail and everywhere that one looked in the streets could be seen little processions headed by two men carrying on a plank on their heads the body of some victim, followed by the friends and relatives whose curses against the President mingled with those of the people who stood in the streets and watched.

Between two and three o'clock I left the Legation and drove back through the town on the way to my house. A very marked difference in the attitude of the people was apparent. While in the morning everybody had been in the wildest state of excitement, there was not apparent at this time any of the surly vindictiveness which was noticeable later on in the day. Just how it had become generally known that the massacre was the result of an order given by the President, I was unable to ascertain. But even at this hour there seemed to be a conviction in everyone's mind that the President himself was directly responsible for the outrage. Shortly after my arrival at my house, which was in a portion of the city very much removed from the scene of the outrage and comparatively quiet, I received a note from the French Legation saying that they were having a good deal of difficulty in preventing a mob from entering and forcibly taking out the President, and requesting that I come down and render such assistance as I could.

I went at once, passing on my way numerous groups of people of all classes, and the excitement and indignation against the President was at even higher pitch than it had been when I passed through the town an hour earlier.

Arriving at the French Legation, I discovered that a leaderless mob had already invaded the Legation grounds and that the French Minister with the assistance of Mr. Kohn, the British Chargé d'Affaires, had with the greatest difficulty succeeded in getting them to disperse without entering the Legation and doing bodily harm to the President. Naturally everyone was very apprehensive, especially as Madame Girard and the two daughters of the French Minister were at the Legation.

Inside the Legation I found the President, his wife, and several small children, four officers of the army, the Ministers of Finance and Foreign Relations, and numerous servants of the President. The President himself was in a perfect frenzy of fear, creeping about the house like a hunted animal, so terror stricken that when passing an open window he would crawl on all fours for fear some one on the outside would see him and shoot him.

During the afternoon several small crowds invaded the Legation grounds, but were gotten rid of without a great deal of difficulty. Just before nightfall a friend of the two Ministers who were seeking refuge in the Legation came and after some conversation with him both of them left. Through this man

we got the report that an organized mob would come to the Legation that night, take out the President and assassinate him. We had already heard this rumor from a number of different sources, but when we saw that the two Ministers preferred to leave the asylum which they had gained at the Legation and trust to passing through the streets unharmed, rather than remain there during the night, we became convinced that the warnings which we had received of the coming of the mob that night were true. This conviction was strengthened when General Charles Zamor, who for ten months prior to that day, had been a refugee in the French Legation, came and told the French Minister that although he had previously told him that he would return to the Legation that night, so that in case anything should happen the Minister might have his assistance, he regretted that he had found it impossible to fulfill that promise, adding at the same time that the populace was so enraged and so out of hand that no one's influence would be of any weight if they should attempt any act of violence against the President.

Mr. Kohn and myself remained at the Legation that night but for some reason no demonstration of any kind against the President was attempted, and in the morning the town was more than usually quiet. Between nine and ten o'clock I left and went down to the American Legation to see if there was any reply to my cable asking that a ship be sent. The British Chargé and myself had decided that we go to our respective Legations, one by one, so as not to leave the French Minister alone at his Legation, although all of us thought that as the excitement of the previous day had somewhat calmed, the danger at the French Legation was passed. Arriving at the American Legation I found a telegram stating that the U. S. S. *Washington* would arrive sometime in the forenoon, which assured me that the vessel which was just visible on the horizon when I came down to the town was the United States warship.

I then started back to the French Legation so as to allow Mr. Kohn to leave and go to the British Legation to see if he had a reply to his telegram of the day before, when he and the French Minister both had cabled for ships. Before I had reached the Legation there was one terrific howl of fury from that direction. Turning into the street which runs behind the French Legation, I found my way completely blocked by a mob which filled the street from wall to wall, making it an absolute impossibility for me to reach the gates of the Legation. I could see that something or somebody was on the ground in the center of the crowd, just before the gates, and when a man disentangled himself from the crowd and rushed howling by me, with a severed hand from which the blood was dripping the thumb of which he had stuck in his mouth, I knew that the threatened assassination of the President was accomplished. Behind him came men with the feet, the other hand, the head, and other parts of the body displayed on poles, each one followed by a mob of screaming men and women. The portion of the body that remained was dragged through the streets by the crowd.

I finally managed to turn, and, going around the block, entered the Legation from the other side. There I learned what had transpired in the Legation building itself.

After my departure everything had remained perfectly quiet, so quiet that Mr. Kohn, deciding that it was useless for him to wait until my return, left for his Legation. The French Minister, his wife, and two daughters were sitting in the drawing room, which runs entirely through the building, and from which can be seen the gates at either end of the grounds. As these gates are some hundred and fifty yards from the house, the doors were left open. Before anyone knew that there was even a threat of danger, a mob of some 75 or 80 men were on the porch. They had entered an adjoining property, climbed the wall at one side of the house, and were actually at the door before anyone had even an intimation of their presence. This mob was composed of young men of the best class of Haitians of Port au Prince, and we learned later that they had assembled immediately after attending the funeral services of the three sons of General Polynice, all of whom had been victims of the massacre of the day before. The Minister, assisted by Madame Girard and his two daughters, attempted to close the heavy doors and bar the mob's entrance, but they were inside of the house before this could be done.

The leaders of the mob demanded that the French Minister tell them where the President was hiding, which he refused to do, whereupon they immediately began to search the house. A man, who resembled the President very much and who had taken refuge in the Legation the day before, was seized by several members of the mob who thought him to be the President, dragged

from his place of hiding and into the drawing room where he would have been killed had it not been that someone recognized him and apprised his captors of their mistake, just in time to save his life.

The first search of the house was fruitless and the leaders again demanded that the Minister give up the President. He repeated his refusal and another search was begun.

Shortly before the arrival of the mob, a doctor had been at the Legation—in fact was there at the time the mob entered, making his escape as soon as he learned what was happening. He had just finished dressing the bullet wound which the President had received in his leg the previous day, and in the dressing had used iodoform. It was the odor of this drug that betrayed the hiding place of the President. The members of the mob knew that the President himself was the only wounded person within the Legation, and on entering the bed room of the French Minister and noticing the odor of this drug in the room, they began a more careful search there and discovered that there was a closed door behind the head of the bed, which had been moved so as to hide it. The President was found in the bath room into which this door opened. He was seized by the mob, stabbed two or three times in his face, knocked down and dragged by his heels down the stairs, through the drawing room and out into the grounds, vainly protesting that he was innocent of any connection with the massacre of the day before, and begging most piteously for his life. No attention was paid to his protestations, and before the eyes of his wife and children he was dragged down the long driveway which leads to the gates. As he was being dragged along he clutched the spokes of a wheel of a buggy which stood at one side of the driveway, attempting to free himself from his captors. A blow of a club broke his arm and loosened his grip.

While these events were transpiring within the Legation itself, another mob composed of the rabble of Port au Prince had collected in the street before the Legation. Arriving at the gates, which were locked, the President was thrown over to the mob that waited on the outside. No sooner had his body touched the ground than it was literally torn to pieces, as above recounted. No injury was done to anyone else within the Legation, although if it had not been for a few members of the mob less bloodthirsty than the rest, the suggestion that the President's wife and children be killed also would have been accepted.

Although the French Legation was the center and objective point of mob's activities, the wildest disorder prevailed in all the city. There was absolutely no semblance of authority, and there was no one who could be called upon for protection. Every man had to depend upon himself for the protection of himself and property, and there was the gravest apprehension, not only among the foreigners but also among the Haitians themselves. The people were in an absolute frenzy of excitement and rage, and it was feared that, maddened by the bloodshed of those two days, this opportunity would be seized by the people to settle old scores. Besides this there was a great deal of actual suffering, amounting almost to starvation, among the poorer classes, and pillage down in the city was feared. It was believed that the mob would invade the British Legation where Philogene, Chief of the Secret Police under the Sam administration, was in hiding. He was intensely hated, as a number of the victims of the massacre of the day before were in prison as the result of his denunciation, and his assassination would almost certainly have followed that of the President had it not been for the timely arrival of the U. S. S. *Washington*.

For foreigners the situation was extremely critical. The foreign Legations, up to this time, had never been invaded, but the invasion of the Dominican Legation, where General Oscar had taken refuge, followed the next day by the invasion of the French, took away this last safeguard against violence from the natives. The ignorant classes, having seen these Legations violated with apparently no evil results to the invader, could not be expected to respect their inviolability as they had in the past; and as a result there remained no place of safety, nor was there any Haitian authority which could be looked to for protection.

Under the conditions above briefly set forth, it was believed that for the protection of life and property and the maintenance of law and order, in the absence of constituted authority, it was an absolute necessity that the American forces be immediately landed to assume control of the city until such a time as there should be formed a constitutional government capable of maintaining itself and of affording protection to Haitian and foreign life and property.

After the landing of these forces it was realized that before order could be restored it would be necessary to disarm the native soldiers and police who, in the absence of authority, had become simply an armed rabble. The average Haitian soldier is utterly ignorant, usually unable to either read or write, and as long as such men were allowed to carry arms, roaming at will as they were in the city, no assurance of safety or orderly conditions could be given.

It was also found necessary to assume control of the customs service in order to assure the conservation of the funds derived from this source and to secure their proper and full collection.

As there existed in the other towns of the republic conditions similar to those existing at the capital, it was necessary to take similar action in these places as troops became available.

In the light of all the facts and under the then existing conditions it is respectfully submitted that any action short of that taken could have been but temporary in effect and could neither have produced lasting results nor offered any solution of the questions involved.

There had to be considered:

First, a means of affording immediate protection to foreign and American life and property.

As has been above set forth, at the time of the arrival of Rear Admiral W. B. Caperton aboard the U. S. S. *Washington*, the head of President Sam was being carried on a pole through the city and what remained of his body was being dragged through the streets by a mob, mad from the sight of blood, and at the same time emboldened by having assassinated the arch oppressor without having experienced the swift retribution which, in the past, had been visited upon those who dared oppose one in authority.

During the thirty-six hours preceding the arrival of the American warship, two Presidents had been murdered, ex-President Zamor having been one of the victims of the massacre in the prison. Two foreign Legations had been violated. There was no authority to which one could look for protection save a self-appointed revolutionary committee whose powers were simply nominal. Mob law held sway, jeopardizing the lives and property of foreigners.

There was no immediate prospect of a change in these conditions. The leaders of the outbreak at Port au Prince declared themselves to be adherents of Dr. Bobo, who at this time was in the vicinity of Cape Haitien, in the extreme north of the Island, and who could not be expected to arrive for some days at the capital to assume in person the reins of Government and to attempt, with the assistance of his revolutionary army, to produce some semblance of order out of existing chaotic conditions.

Each hour which elapsed with the mob rule unchecked added to the danger for Americans and foreigners and largely increased the chance that property would be destroyed and looting begun by the half-starved natives.

In this emergency which could neither have been foreseen nor provided for, the immediate landing of the American forces was deemed absolutely necessary to meet the pressing demands of the situation.

Second, the administration and maintenance of civil order pending the establishment of a constitutional Government.

During the period which lapsed between July 28, the day on which the American forces were landed, and August 12, the day on which President Dartignave was elected, there was no Government of any description, as in Haiti the overthrow of a President, *ipso facto*, dissolves his Government. There was, it is true, the self-appointed revolutionary committee with whose consent the American forces had been landed and with whom, as far as it was possible, Rear Admiral Caperton cooperated in maintaining order and administering the affairs of Government.

However, when this committee arbitrarily declared the Senate and Chambers dissolved, its action could neither be approved nor permitted to be effective. The members of the Haitian Senate and Chambers of Deputies had been in office the four preceding administrations and it could not be admitted that a band of professional revolutionists had either the right or power, in the furtherance of their own ends, arbitrarily to dissolve these bodies.

It was known that the action of the committee was taken as a result of its fear that these bodies, in the exercise of the duty imposed upon them by the Haitian constitution, would elect some other than Doctor Bobo to the Presidency. Knowing that he would not be allowed to lead his army through the

country and into the capital and, by its presence, force the Legislative Bodies to name him President, and fearing the action they might take unless so coerced the revolutionary committee issued a proclamation declaring the Senate and Chambers dissolved.

The members of these bodies were notified shortly after the appearance of the proclamation that the action on the part of the committee was not recognized by the United States and the assurance was given that they should convene for the election of a President. This promised protection was accorded, and on August 12th Sudre Dartiguenave, President of the Senate, was elected President of the Republic. This election could not and would not have been held unless the members had been protected when they met for the purpose of choosing a President. It was only the presence of the United States marines on guard throughout the city and around the Legislative Chambers which prevented the revolutionary committee from attempting to prevent the election by force.

Third, the support and maintenance of constituted authority.

After the Haitian Congress had met and under the protection of the American forces held an election for the presidency, possibly for the first time exercising this right freely and not as some chief, backed by his army, dictated, it was seen that it was impossible for this Government, regularly and freely elected, unaided to sustain itself.

Although a general disarmament had been undertaken there were still forces under arms in the Island. The new Government had no military strength. The President was not from the military class and had no army to enforce his authority. Doctor Bobo and his adherents were very much dissatisfied and disgruntled that he had not been the choice of the Congress in its election of a President. A withdrawal of the armed support of the United States would immediately have resulted in the overthrow of the Dartiguenave Government, probably with the repetition of the outrages which accompanied the overthrow of the preceding President. That its existence was dependent upon the support of the United States was an accepted fact by the members of this Government, and it was realized by everyone in touch with the situation that withdrawal of this support would be tantamount to signing the death warrant of the President and members of his Government.

Aside from the necessity of supporting the new Government temporarily, and until it became sufficiently strong to maintain itself, it was incumbent from a humanitarian viewpoint to aid the Haitian people to free themselves from the hopeless conditions which continued revolution and a policy of despotic militarism had produced. In a large portion of the Island agriculture was practically abandoned and in those sections through which successive revolutionary and Government armies had passed the country was devastated, nothing remaining of the crops of the small landowners, as the armies lived on the country as they went. The absolute prostration of the country districts reacted on business in the cities and business was almost at a standstill.

Following the American intervention, and as soon as the ignorant classes found that they were not to be made slaves and their lands confiscated, as the politicians, seeing in foreign intervention an end of conditions which had permitted their exploitation of the country for personal gain, had taught them to believe, conditions rapidly began to improve. Believing that an end of revolution, so long desired, was at last a reality, the landowners began again to cultivate their farms. The men, who under the old régime, through fear of forced military service, had remained at their homes, began to appear upon the streets and to attempt to secure employment. Work of various sorts was resumed, giving employment to laborers and thereby to some extent alleviating the suffering among this class which at times amounted to actual starvation.

Fourth, a means of enabling constituted authority permanently to maintain itself.

Before it could be expected that orderly conditions could prevail in Haiti and a Government possess any degree of stability, or the strength to maintain itself, it was necessary to discover a means of permanently putting an end to revolutionary uprisings.

If this was to be accomplished it was essential that militarism be abolished, that the funds derived from the customs be in some way safeguarded, and

their expenditure for the payment of debts contracted by revolutionary chiefs in the prosecution of a revolutionary operations, made impossible.

As has already been pointed out, certain groups of foreigners have financed the successive Haitian revolutions, advancing the money for their prosecution at enormous interest rates and with the assurance that these loans would be regarded as Government obligations and provision made for their payment upon the successful termination of the revolution.

Naturally if a means be found to make such procedure impossible, the procuring of funds for the prosecution of revolutions would no longer be a thing so easy of accomplishment, and without funds no revolution can succeed.

Those who have been on the Island and who, in consequence, have had an opportunity to observe existing conditions, believe that under the operation of the treaty, signed between the United States and Haiti, these results would be accomplished.

The article of the treaty which contemplates the abolition of the army and the establishment of a constabulary to be composed of native Haitians, officered by Americans, presents a plan which should put an end to the militarism which has been productive of so much unrest and suffering in the Island. This not only does away with the menace of a large armed force, the maintenance of which is an enormous drain upon the resources of the country, but the elimination of Haitian officers removes the possibility that some one of them might use military strength to overthrow the President and place himself at the head of the Government.

The articles of the treaty which contemplate American customs control and the appointment of an American Financial Adviser provide, it is thought, an effective means of preventing the use of Government revenues for the payment of revolutionary obligations, and give the assurance that they will be expended only for legitimate demands.

Therefore, with the army abolished and the finances of the country so safeguarded as to make it impossible for them to be considered and counted on as security for loans made by those who consider the financing of a revolution a legitimate business enterprise, it should not be difficult for the Government to sustain itself, and with the support of the constabulary to maintain order, a condition which must exist if the Republic of Haiti is to overcome the well-nigh insurmountable difficulties which a constant state of revolution has produced.

File No. 838.51/489

Admiral Caperton to the Secretary of the Navy

[Telegram]

PORT AU PRINCE, February 3, 1916.

Everything quiet. Haitian Government stated that military officials under titles of Commandants of Arrondissements, Chiefs of Sections, Commandants of Communes, have been discharged throughout Haiti. Military and police functions will be carried on by gendarmerie. One hundred nine detachments of constabulary occupying one hundred nine different stations in Haiti. The country will be thoroughly patrolled and order kept. Had conference with President and Government Ministers today on various subjects. Attitude Haitian Government always cordial. It expresses desire to carry out all wishes of United States.

W. B. CAPERTON

File No. 838.51/511

Admiral Caperton to the Secretary of the Navy

PORT AU PRINCE, April 5, 1916.

By decrees of President issued today Senate has been dissolved and Chamber of Deputies will be convoked as a Constituent Assembly to revise Constitution to accord with treaty. This Constituent As-

sembly will act in accord with Executive Power. There is also provided by decree a Council of State of twenty-one members appointed by President to act with Government in drawing up and preparing such changes and laws as may be necessary to be submitted to the Constituent Assembly and to advise on such other matters as Government may desire.

W. B. CAPERTON

File No. 838.00/1395

Minister Blanchard to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Port au Prince, May 31, 1916, 10 a. m.

Since the departure from here of the *Dolphin* and the marines for Santo Domingo there has been growing agitation with persistent rumors that some movement would take place. This culminated yesterday evening at six o'clock when General Codio the notorious Caco chief and five other Caco chiefs escaped from the prison with other prisoners carrying arms and ammunition taken from the prison. From seven p. m. to two a. m. there was firing in the city especially in the neighborhood of the Legation which is in the business section. One Haitian rebel killed and two badly injured; one corporal of marines on the *Liberty* wounded by escaping prisoner. It is reported that firing continues in the suburbs. A feeling of insecurity prevails in the city; the reason given being that there is no war vessel in the harbor and the marines not numerous enough. The *Prairie* and *Culgoa* are expected to-morrow with the marines and Colonel Waller is confident that he can control the situation.

BLANCHARD

File No. 838.00/1396

AMERICAN LEGATION,
Port au Prince, June 1, 1916, 11 a. m.

Everything quiet here last night. Caco chiefs and other escaped prisoners with a few followers about sixty in all are reported to be at Croix des Bouquets. Steps are being taken for their apprehension.

BLANCHARD

File No. 838.00/1399

AMERICAN LEGATION,
Port au Prince, June 5, 1916, 3 p. m.

My May 31, ten a. m. and June 1, eleven a. m. At one o'clock yesterday morning Caco chiefs Codio and Metellus and band were surrounded near Fonds Verretes and in desperate effort to escape Codio, Metellus and nine others were shot. The American forces and gendarmes are in pursuit of the other outlaws. Reports show all quiet in the provinces.

BLANCHARD

TREATY BETWEEN THE UNITED STATES AND HAITI RELATING TO THE FINANCES, ECONOMIC DEVELOPMENT AND TRANQUILITY OF HAITI—CORRESPONDENCE AND EXCHANGE OF NOTES CONCERNING THE INTERPRETATION THEREOF—AGREEMENT ESTABLISHING THE COMPENSATION OF OFFICIALS PROVIDED FOR IN ARTICLE II OF THE TREATY—AGREEMENT ESTABLISHING THE COMPENSATION OF ENGINEERS PROVIDED FOR IN ARTICLE XIII—GENDARMERIE PROTOCOL CARRYING OUT THE PROVISIONS OF ARTICLE X—TELEGRAPH AND TELEPHONE AGREEMENT CARRYING OUT PROVISIONS OF ARTICLE XIII—PROTOCOL AMENDING THE FRENCH TEXT OF THE GENDARMERIE PROTOCOL.¹

File No. 711.38/71

The Minister of Haiti to the Secretary of State

[Translation]

LEGATION OF HAITI,
Washington, March 15, 1916.

MR. SECRETARY OF STATE: I have the honor to inform your excellency that my Government has vested me with special authority to proceed with the exchange of ratifications of the Convention of September 16, 1915, and has forwarded to me to that effect:

1. The instrument of ratification of the convention by the President of Haiti.²

2. A certified copy of the convention;³

3. A certified copy of the decree of the Legislative Body of Haiti sanctioning the ratification of the convention by the President;⁴ and

4. A copy of the interpretative commentary of the committee of the Chamber of Deputies referred to in the decree.⁵

I am therefore at your excellency's disposal regarding the said exchange of ratifications.

Be pleased to accept [etc.]

SOLON MÉNOS

* [Inclosure 1—Translation]

Ratification by the President

Regarding as acceptable the convention signed on September 16, 1915, between the Government of Haiti and that of the United States of America, represented by Mr. Louis Borno, Secretary of State for Foreign Relations, and Mr. Robert Beale Davis, Jr., Chargé d Affaires, respectively.

We hereby declare our approval, ratification and confirmation of the said convention and promise and cause it to be executed and observed according to its form and tenor without permitting any contravention thereof.

In faith whereof, we have signed with our own hand the present ratification and caused the seal of the Republic to be affixed thereto.

Given at the National Palace of Port au Prince, September 17, 1915, the 112th year of Independence.

DARTIGUENAVE

By the President:

LOUIS BORNO,

Secretary of State for Foreign Relations

¹ Continued from For. Rel. 1915, pp. 431-460.

² Inclosure 1.

³ Printed p. 328, post.

⁴ Inclosure 2.

⁵ Inclosure 3.

[Inclosure 2—Translation]

Sanction by the Legislative Body

The Legislative Body, in the exercise of the power conferred upon it by Article 101 of the Constitution—

Upon examination of the Convention concluded between the United States of America and the Republic of Haiti, drawn up on September 16, 1915, which was ratified by the President of Haiti on September 17, 1915; and on the strength of the report dated September 29, 1915, of the special committee of the Chamber of Representatives charged with the examination of the said convention, the conclusions of the said report resting on the interpretative commentary which serves as a motive of the said convention—

Decrees the sanction of the said convention to go into full and entire effect.

Given in the Chamber of Representatives at Port au Prince, October 6, 1915, the 112th year of Independence.

A. ANDRÉ,
President of the Chamber

J. N. CHERON, LUD LEROY
Secretaries

[Inclosure 3—Translation]

Interpretative Commentary.—Annex to the Convention of September 16, 1915, between Haiti and the United States.

ARTICLE I

1. The aid "will aid" of the United States under consideration is a formal engagement made by that Government. It is not optional but obligatory. Else there would be no occasion for the convention.

2. By good offices "bons offices," the convention means that the Government of the United States will use the influence it commands to give us active assistance. It will, for instance, facilitate in the American market such loans as may be needed; it will use its influence in developing our agricultural, mining and commercial resources.

3. The American Government does not propose to appropriate to itself a monopoly of mining operations. The companies owning regular concessions will hold them.

The good offices of the American Government will place the Republic of Haiti in a situation which will win the confidence of capitalists. The Haitian Government will be able to consolidate its debts by means of an advantageous loan, the Government of the United States affording by the institution of a receivership that will insure the service of the loan a positive guarantee that our engagements will be carried out.

ARTICLE II

4. The Receiver General personifies the cooperation of the Government of the United States. He is *nommé* "appointed" by the President of Haiti on the *proposition* "nomination" of the President of the United States. In the American administrative vernacular "nomination" is translated into French by "proposition".

5. Does the President of Haiti hold the power to reject nominees of the President of the United States or even to dismiss them?

In the intention of the contracting parties, he may not do so *ad mutum*, "at will". Those officials come under a contract; their situation must be considered in that special light.

If the Receiver General, in charge of the Receivership, should draw upon himself dismissal because of malfeasance in office, it is obvious that the President of the United States could not but concur. The delinquent could even be amenable to an action at law. The police laws are binding on all who live within the territory of the Republic.

6. The customs force is Haitian and exclusively and directly appointed by the President of Haiti.

The "aides et employés" provided by Article 2 are auxiliaries of the Receiver; they do not compose the customs force. They are delegated to the customhouses by the Receivership and supervise the customs transactions. At the Receiver's office they collect, receive and apply the customs duties. They apply ("apply," make payments to) in the form and manner indicated and set forth in Article 5 of the convention.

7. The Financial Adviser is no longer here the comptroller placed above the Executive and Legislative Powers. He is nothing but an official attached to the Ministry of Finance where he collaborates with his work and advice.

8. The Financial Adviser in no wise supersedes the *Chambre des Comptes* (Board of Auditors).

The Financial Adviser's work is special, technical; he is an expert, as it were. He enlightens the two Governments. His part, as stated in Article 2, consists in "elaborating an adequate system of public accounting, promoting an increase of revenues, etc."

As is seen the duties of the *Chambre des Comptes* and of the Financial Adviser bear on two different absolutely distinct lines. The Adviser does not apply, he confines himself to pointing out, enlightening, recommending, suggesting, prompting. Whatever in his system is at variance with the Constitutional law will not be adopted.

9. As for the nationality of the officials, Receiver General and Financial Adviser, there is no absolute stipulation in the text in that respect.

10. What becomes of the *Banque Nationale de la République d'Haïti* whose establishment was unofficially opposed with such foresight by the Government of the United States?

This question is now the subject of an exchange of views between the Government of the United States, the Embassy of France at Washington and the Bank's management. The latter does not object to the convention. The dispute between the Government and the Bank will be adjusted by our Commissioners in Washington, with good offices of the American Government which good offices will always be of advantage to us in our various difficulties with the foreign legations.

ARTICLE III

11. This article substitutes a Receivership for the *Banque Nationale de la République d'Haïti*.

Taxes not collected by the Receiver remain out of the scope of the convention; they constitute a special fund of the Haitian Government. This leaves a department to be created unless we should intrust the Receivership itself with that service.

That special fund, different from that of the Receivership, will receive from the Receiver General the balance referred to in Article 5 for current expenses and the payment of salaries.

ARTICLE VI

12. The 5% stands for a maximum that cannot be exceeded, but the disbursements provided by this article may be kept below 5%.

The Receivership in fact will draw up yearly an estimate of salaries that is to be determined by "previous agreement" with the Government, as is said in Article 5.

This shows that there is no question of a lump sum drawn without the Haitian Government's supervision.

ARTICLE IX

13. The clause in this article does not at all stand in the way of a gradual reduction or even the removal of our customs duties subject however to the condition that our increased resources will permit of so doing. It merely provides that we relinquish the right to impair our creditors' securities.

On the contrary the American Legation gives the assurance that its Government will in the future concur in any reduction of tariff rates that will not infringe the treaty rights.

ARTICLE XIII

14. There is nothing positive in the text as to the nationality of the engineers. The President of the United States proposes "nominates" but it is the President of Haiti who appoints. What matters is to have competent men.

ARTICLE XVI

15. The renewal of the treaty is no longer left to the discretion of one of the two Governments. A discussion, should occasion arise, will be opened at the end of the tenth year between the two contracting parties to weigh the value of the "precise reasons formulated by either party" in case "the views and objects of the convention should not be fulfilled" (if for specific reasons presented by either of the high contracting parties, the purpose of the treaty has not been fully accomplished.)

16. What is the jurisdiction competent to pass upon possible disputes arising about the execution of the treaty?

Although the convention is silent on this point, the Arbitral Tribunal of the Hague is that previously agreed upon by Haiti and the United States of America.

17. Which of the two texts would prevail in case of a difference in the interpretation of one?

When two texts in different languages, as in this case are brought forth together, they are equivalent, the one elucidates the other, as a rule. But certain divergences may arise in interpreting this or that phrase and it is then of absolute importance that one of the two texts should prevail. It was to prepare for this that the contracting parties adopted the English text.

File No. 711.33/71

The Secretary of State to the Minister of Haiti

DEPARTMENT OF STATE,
Washington, April 5, 1916.

SIR: I have the honor to acknowledge the receipt of your note of the 15th ultimo, by which you inform me that you have received the full power of the President of Haiti to effect the exchange of ratifications of the Convention of September 16, 1915, between the United States and Haiti, and that your Government had forwarded to you to that end the following papers:

1. The instrument of ratification of the convention by the President of Haiti.

2. A certified copy of the convention.

3. A certified copy of the decree of the Legislative Body of Haiti sanctioning the ratification of the convention by the President of Haiti; and

4. A copy of the interpretative commentary of the committee of the Chamber of Deputies referred to in the decree.

Through your courtesy these papers have been submitted to the Department for examination.

The President of Haiti's instrument of ratification of the convention declared that the treaty is approved, ratified and confirmed by the President of Haiti, who promises to cause it to be executed and observed according to its form and tenor without permitting any contravention thereof. The instrument is in conformity with the ratifications by former Presidents of Haiti of previous treaties between the United States and Haiti and is acceptable.

Inasmuch, however, as it would seem as if your Government considered the sanctioning decree of the Legislative Body of Haiti and

the interpretative commentary of the committee of the Chamber of Deputies referred to in the decree as part of the exchange of ratifications, I feel it incumbent upon me to point out, without discussing whether the interpretation placed by the commentary on the articles of the treaty mentioned therein would or would not be acceptable to this Government, that, as this paper was not before the United States Senate at the time it gave its advice and consent to the ratification of the treaty by the President, it is impossible to consider the views expressed therein as having any binding force on the Government of the United States. In this connection permit me to point out also that the interpretation of treaties is a matter of consent between the contracting parties and that if an interpretation be placed by one party to a treaty on any of its stipulations at a time before a case arises for the application of the stipulation, the other party must be consulted and its consent obtained before it can be considered bound in any manner whatsoever by such interpretation.

The Government of the United States therefore cannot consent to consider the interpretation placed upon Articles I, II, III, VI, IX, XIII and XVI of the treaty by the interpretative commentary as in any way binding upon it. It must insist that the treaty shall be construed and interpreted in accordance with the clear language of its English text in conformity with the understanding reached by the two Governments in the notes exchanged at Port au Prince and dated September 16 and 20, 1915,⁶ respectively.

With this understanding, in which I have no doubt your Government will fully concur, I shall be glad to proceed to the exchange of ratifications and to arrange a convenient time for that purpose.

Accept [etc.]

ROBERT LANSING

File No. 711.38/77

The Minister of Haiti to the Secretary of State

LEGATION OF HAITI,
Washington, April 27, 1916.

MR. SECRETARY OF STATE. I have had the honor to receive the letter which your excellency was pleased to address to me on the fifth of this month respecting the documents sent by my Government and communicated by me to the Department of State with a view to exchanging the ratifications of the convention signed on September 16, 1915, between the Republic of Haiti and the United States.

Your excellency formulated an objection bearing on the interpretative commentary of the special committee of the Chamber of Deputies referred to in the sanctioning decree of the Legislative Body. But my Government, to which I did not fail to refer the matter and which was justified in believing that the United States had long been in possession of that commentary and had found no fault with it, is inclined to believe that this is simply a case of misapprehension.

It holds, indeed, that the adoption of the aforesaid commentary was not intended to and did not amend the convention and that is no

⁶ For. Rel. 1915, p. 454; inclosures 1 and 2 with despatch No. 49, dated October 25, 1915, from the American Legation at Port au Prince.

doubt the reason why it was not deemed indispensable to lay it before the Senate of the United States when it was asked to concur in the ratification of the convention by the President of the United States. The Legislative Body of Haiti solely meant to forestall, in the very language of the committee of the Chamber of Deputies, possible difficulties of interpretation, and to make known to the Haitian nation "clearly, unequivocally, the obligations it assumed". And that is why the Secretary of State for Foreign Relations did not hesitate to indorse the considerations set forth in the commentary.

My Government, therefore, ever desirous of standing in accord with the Government of the United States, firmly hopes that the Department of State will accept the interpretative commentary in so far as it does not conflict with the terms of the Convention of September 16, 1915.

Trusting that nothing may stand in the way of the exchange of ratifications, I beg you to accept [etc.]

SOLON MÉNOS

File No. 711.38/76

The Secretary of State to the Minister of Haiti

DEPARTMENT OF STATE,
Washington, May 1, 1916.

SIR: I have the honor to acknowledge the receipt of your note of the 27th ultimo in which, in reply to my note of the 5th ultimo respecting the interpretative commentary of the special committee of the Chamber of Deputies of Haiti, referred to in the decree of the Chamber of Deputies sanctioning the ratification by the President of Haiti of the Convention of September 16, 1915, between the United States and Haiti, you inform me that the Government of Haiti holds that the adoption of the interpretative commentary was not intended to and did not amend the Convention, and "hopes that the Department of State will accept the interpretative commentary in so far as it does not conflict with the terms of the Convention of September 16, 1915."

In reply I have the honor to inform you that, reserving and leaving open, without prejudice, the question of whether the interpretative commentary is or is not acceptable to the Government of the United States, I accept your note as an agreement on the part of the Government of Haiti that should the interpretative commentary hereafter be found not to accord with the English text of the convention, the particular provision of the convention in point shall be construed and interpreted in accordance with the clear language of the English text of the convention as provided for in the notes exchanged between your Government and the American Legation at Port au Prince on September 16 and 20, 1915.

On this understanding I perceive no reason why we may not proceed to the exchange of the ratifications of the convention; and I shall be happy to meet you for the purpose of effecting the exchange at the Department of State on Wednesday, the 3d instant, at 11.30 a.m., if that time is entirely agreeable to you.

Accept [etc.]

ROBERT LANSING

**TREATY BETWEEN THE UNITED STATES AND HAITI RELATING
TO THE FINANCES, ECONOMIC DEVELOPMENT, AND TRANQUIL-
LITY OF HAITI**

Signed at Port au Prince, September 16, 1915; ratification advised by the Senate, February 28, 1916; ratified by the President, March 20, 1916; ratified by Haiti, September 17, 1915; ratifications exchanged at Washington, May 3, 1916; proclaimed, May 3, 1916.

Treaty Series No. 623

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas a Treaty between the United States of America and the Republic of Haiti having for its objects the strengthening of the amity existing between the two countries, the remedying of the present condition of the revenues and finances of Haiti, the maintenance of the tranquillity of that Republic, and the carrying out of plans for its economic development and prosperity, was concluded and signed by their respective Plenipotentiaries at Port-au-Prince, on the sixteenth day of September, one thousand nine hundred and fifteen, the original of which Treaty, being in the English and French languages, is word for word as follows:

Preamble

The United States and the Republic of Haiti desiring to confirm and strengthen the amity existing between them by the most cordial coöperation in measures for their common advantage;

And the Republic of Haiti desiring to remedy the present condition of its revenues and finances, to maintain the tranquillity of the Republic, to carry out plans for the economic development and prosperity of the Republic and its people;

And the United States being in full sympathy with all of these aims and objects and desiring to contribute in all proper ways to their accomplishment;

The United States and the Republic of Haiti have resolved to conclude a Convention with these objects in view, and have appointed for that purpose, Plenipotentiaries,

The President of the United States, Robert Beale Davis, Junior, Chargé d'Affaires of the United States;

And the President of the Republic of Haiti, Louis Borno, Secretary of State for Foreign Affairs and Public Instruction, who, having exhibited to each other their respective powers, which are seen to be full in good and true form, have agreed as follows:—

Article I

The Government of the United States will, by its good offices, aid the Haitian Government in the proper and efficient development of its agricultural, mineral and commercial resources and in the establishment of the finances of Haiti on a firm and solid basis.

Article II

The President of Haiti shall appoint, upon nomination by the President of the United States, a General Receiver and such aids and employees as may be necessary, who shall collect, receive and apply all customs duties on imports and exports accruing at the several custom houses and ports of entry of the Republic of Haiti.

The President of Haiti shall appoint, upon nomination by the President of the United States, a Financial Adviser, who shall be an officer attached to the Ministry of Finance, to give effect to whose proposals and labors the Minister will lend efficient aid. The Financial Adviser shall devise an adequate system of public accounting, aid in increasing the revenues and adjusting them to the expenses, inquire into the validity of the debts of the Republic, enlighten both Governments with reference to all eventual debts, recommend improved methods of collecting and applying the revenues, and make such other recommendations to the Minister of Finance as may be deemed necessary for the welfare and prosperity of Haiti.

Article III

The Government of the Republic of Haiti will provide by law or appropriate decrees for the payment of all customs duties to the General Receiver, and will extend to the Receivership, and to the Financial Adviser, all needful aid and full protection in the execution of the powers conferred and duties imposed herein; and the United States on its part will extend like aid and protection.

Article IV

Upon the appointment of the Financial Adviser, the Government of the Republic of Haiti, in coöperation with the Financial Adviser, shall collate, classify, arrange and make full statement of all the debts of the Republic, the amounts, character, maturity and condition thereof, and the interest accruing and the sinking fund requisite to their final discharge.

Article V

All sums collected and received by the General Receiver shall be applied, first, to the payment of the salaries and allowances of the General Receiver, his assistants and employees and expenses of the Receivership, including the salary and expenses of the Financial Adviser, which salaries will be determined by previous agreement; second, to the interest and sinking fund of the public debt of the Republic of Haiti; and, third, to the maintenance of the constabulary referred to in Article X, and then the remainder to the Haitian Government for purposes of current expenses.

In making these applications the General Receiver will proceed to pay salaries and allowances monthly and expenses as they arise, and on the first of each calendar month, will set aside in a separate fund the quantum of the collection and receipts of the previous month.

Article VI

The expenses of the Receivership, including salaries and allowances of the General Receiver, his assistants and employees, and the salary and expenses of the Financial Adviser, shall not exceed five per centum of the collections and receipts from customs duties, unless by agreement by the two Governments.

Article VII

The General Receiver shall make monthly reports of all collections, receipts and disbursements to the appropriate officer of the Republic of Haiti and to the Department of State of the United States, which reports shall be open to inspection and verification at all times by the appropriate authorities of each of the said Governments.

Article VIII

The Republic of Haiti shall not increase its public debt except by previous agreement with the President of the United States, and shall not contract any debt or assume any financial obligation unless the ordinary revenues of the Republic available for that purpose, after defraying the expenses of the Government, shall be adequate to pay the interest and provide a sinking fund for the final discharge of such debt.

Article IX

The Republic of Haiti will not without a previous agreement with the President of the United States, modify the customs duties in a manner to reduce the revenues therefrom; and in order that the revenues of the Republic may be adequate to meet the public debt and the expenses of the Government, to preserve tranquillity and to promote material prosperity, the Republic of Haiti will cooperate with the Financial Adviser in his recommendations for improvement in the methods of collecting and disbursing the revenues and for new sources of needed income.

Article X

The Haitian Government obligates itself, for the preservation of domestic peace, the security of individual rights and full observance of the provisions of this treaty, to create without delay an efficient constabulary, urban and rural, composed of native Haitians. This constabulary shall be organized and officered by Americans, appointed by the President of Haiti, upon nomination by the President of the United States. The Haitian Government shall clothe these officers with the proper and necessary authority and uphold them in the performance of their functions. These officers will be replaced by Haitians as they, by examination, conducted under direction of a board to be selected by the senior American officer of this constabulary and in the presence of a representative of the Haitian Government, are found to be qualified to assume such duties. The constabulary herein provided for, shall, under the direction of the Haitian Government, have supervision and control of arms and am-

munition, military supplies, and traffic therein, throughout the country. The high contracting parties agree that the stipulations in this Article are necessary to prevent factional strife and disturbances.

Article XI

The Government of Haiti agrees not to surrender any of the territory of the Republic of Haiti by sale, lease, or otherwise, or jurisdiction over such territory, to any foreign government or power, nor to enter into any treaty or contract with any foreign power or powers that will impair or tend to impair the independence of Haiti.

Article XII

The Haitian Government agrees to execute with the United States a protocol for the settlement, by arbitration or otherwise, of all pending pecuniary claims of foreign corporations, companies, citizens or subjects against Haiti.

Article XIII

The Republic of Haiti, being desirous to further the development of its natural resources, agrees to undertake and execute such measures as in the opinion of the high contracting parties may be necessary for the sanitation and public improvement of the Republic, under the supervision and direction of an engineer or engineers, to be appointed by the President of Haiti upon nomination by the President of the United States, and authorized for that purpose by the Government of Haiti.

Article XIV

The high contracting parties shall have authority to take such steps as may be necessary to insure the complete attainment of any of the objects comprehended in this treaty; and, should the necessity occur, the United States will lend an efficient aid for the preservation of Haitian Independence and the maintenance of a government adequate for the protection of life, property and individual liberty.

Article XV

The present treaty shall be approved and ratified by the high contracting parties in conformity with their respective laws, and the ratifications thereof shall be exchanged in the City of Washington as soon as may be possible.

Article XVI

The present treaty shall remain in full force and virtue for the term of ten years, to be counted from the day of exchange of ratifications, and further for another term of ten years if, for specific reasons presented by either of the high contracting parties, the purpose of this treaty has not been fully accomplished.

In faith whereof, the respective Plenipotentiaries have signed the present Convention in duplicate, in the English and French languages, and have thereunto affixed their seals.

Done at Port au Prince, Haiti, the 16th day of September in the year of our Lord one thousand nine hundred and fifteen.

ROBERT BEALE DAVIS, JR. [SEAL]
Chargé d'Affaires of the United States
 LOUIS BORN0 [SEAL]
*Secrétaire d'Etat des Relations Exterieures
 et de l'Instruction Publique*

And whereas, the said Treaty has been duly ratified on both parts, and the ratifications of the two governments were exchanged in the City of Washington, on the third day of May, one thousand nine hundred and sixteen;

Now, therefore, be it known that I, Woodrow Wilson, President of the United States of America, have caused the said Treaty to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this third day of May in the year of our Lord one thousand nine hundred and sixteen, [SEAL] and of the Independence of the United States of America the one hundred and fortieth.

By the President:

WOODROW WILSON

ROBERT LANSING,
Secretary of State.

File No. 711.38/89a

The Acting Secretary of State to Minister Blanchard

No. 66

DEPARTMENT OF STATE,
Washington, June 27, 1916.

SIR: There are herewith enclosed, for your information and the files of your Legation, copies of the agreements signed today by the Secretary of State and the Haitian Commissioners duly empowered for that purpose, establishing the emoluments of the Financial Adviser, the General Receiver and the Deputy General Receiver of Customs, and of the engineer or engineers provided for in Articles II and XIII, respectively, of the Treaty between the United States and Haiti, of September 16, 1915.

I am [etc.]

ALVEY A. ADEE

[Inclosure 1]

Agreement establishing the compensation of the Financial Adviser, the General Receiver of Customs, and the Deputy General Receiver of Customs

The undersigned, duly authorized thereto by their respective Governments, have this day agreed that the following officials, to be nominated and appointed as stipulated in Article II of the treaty between the United States of America

and the Republic of Haiti, signed at Port au Prince on September 16, 1915, shall, pursuant to the provisions of Article V, of said treaty, receive annually compensation as follows:—

Financial Adviser:—\$6,000.00 United States Currency, per annum, for salary, and \$4,000.00 United States Currency, per annum, for personal expenses.

General Receiver of Customs:—\$5,500.00 United States Currency, per annum, for salary, and \$3,500.00 United States Currency, per annum, for personal expenses.

Deputy General Receiver of Customs:—\$4,800.00 United States Currency, per annum, for salary, and \$1,200.00 United States Currency, per annum, for personal expenses.

It is also agreed that pending further arrangement between the High Contracting Parties, the President of Haiti shall appoint, upon nomination by the President of the United States and at salaries fixed on the recommendation of the latter, such additional aids and employees as may be necessary to assist the General Receiver of Customs properly to collect, receive, and apply all customs duties on imports and exports accruing at the several customs houses and ports of entry of the Republic of Haiti.

Provided, that the total salaries and expenses of all the officials and employees herein mentioned shall not exceed 5 per centum of the collections and receipts from the customs duties, unless by subsequent agreement between the two Governments.

In witness whereof the undersigned have hereunto signed their names and affixed their seals.

Done at Washington, in duplicate, this 27th day of June, nineteen hundred and sixteen.

[SEALS]

ROBERT LANSING
 SOLON MÉNOS
 PIERRE HUDICOURT
 AUGUSTE MAGLOIRE

[Inclosure 2]

Agreement establishing the compensation of the engineer or engineers

The undersigned, duly authorized thereto by their respective Governments, have this day agreed that the engineer or engineers to be charged with the supervision and direction of the sanitation and public improvement of the Republic of Haiti, and to be nominated and appointed as stipulated in Article XIII of the Treaty between the United States of America and the Republic of Haiti, signed at Port au Prince on September 16, 1915, shall each receive annual compensation not to exceed seventy-five hundred (\$7,500.00) dollars United States Currency.

It is also agreed, pending further arrangement between the high contracting parties, that should such official, or officials, as may be nominated by the President of the United States, pursuant to Article XIII, of the Convention hereinbefore referred to, be selected from the service of the United States and receive compensation as such from the Government of the United States, the Government of the Republic of Haiti shall be obligated to remunerate such officer or officers each in a sum not to exceed one-half of the above-mentioned total annual emolument of seventy-five hundred (\$7,500.00) dollars.

It is further agreed that should such officer or officers be appointed other than from the service of the United States, the total annual emolument of each such officer shall be defrayed by the Government of Haiti in the following proportions:—

A sum not to exceed \$4,500 United States Currency, per annum, for salary.

A sum not to exceed \$3,000 United States Currency, per annum, for personal expenses.

In witness whereof, the undersigned have hereunto signed their names and affixed their seals.

Done at Washington, in duplicate, this 27th day of June, nineteen hundred and sixteen.

[SEALS]

ROBERT LANSING
 SOLON MÉNOS
 PIERRE HUDICOURT
 AUGUSTE MAGLOIRE

Protocol carrying out the provisions of Article X of the Treaty of September 16, 1915, with reference to the formation of a gendarmerie and its command

The undersigned, duly authorized thereto by their respective Governments, have this day agreed:

1. That the Constabulary contemplated by Article X of the Treaty between the United States of America and the Republic of Haiti, signed at Port au Prince on September 16, 1915, shall be known as the Haitian Gendarmerie; that its strength and amount to be expended for pay, rations, and expenses of operation, et cetera, shall be as set forth in the following table:

	Per month.	Per annum.
<i>Personnel.</i>		
1 Commandant.....	\$250. 00	\$3, 000. 00
1 Assistant Commandant.....	200. 00	2, 400. 00
4 Directors.....	200. 00	9, 600. 00
9 Inspectors.....	150. 00	16, 200. 00
1 Quartermaster, Paymaster, Director.....	200. 00	2, 400. 00
2 Assistant Quartermaster Paymasters, Inspectors.....	150. 00	3, 600. 00
1 Surgeon, Director.....	200. 00	2, 400. 00
2 Surgeons, Inspector.....	150. 00	3, 600. 00
18 Captains.....	150. 00	32, 400. 00
21 First Lieutenants.....	100. 00	25, 200. 00
3 First Lieutenants (Hospital Corps).....	100. 00	3, 600. 00
39 Second Lieutenants.....	60. 00	28, 080. 00
8 Second Lieutenants (Machine Gun).....	50. 00	4, 800. 00
6 Second Lieutenants (Hospital Corps).....	60. 00	4, 320. 00
19 First Sergeants.....	25. 00	5, 700. 00
112 Sergeants.....	20. 00	26, 880. 00
262 Corporals.....	15. 00	47, 160. 00
40 Field Musicians.....	10. 00	4, 800. 00
2,100 Privates.....	10. 00.	252, 000. 00
Pay personnel.....		478, 140. 00
<i>Rations.</i>		
2,533 enlisted men at 10 cents per diem.....		92, 455. 00
<i>Personnel—Clerical force.</i>		
1 Secretary.....	\$100	\$1, 200
1 clerk to Commandant.....	45	540
1 clerk to Assistant Commandant.....	45	540
2 clerks.....	50	1, 200
11 clerks.....	45	5, 940
		9, 420
Forage and remounts.....		40, 000
Uniforms.....		66, 000
Ammunition and target practice.....		15, 000
Hospital, medicine, etc.....		10, 000
Transportation, maps, office supplies, intelligence service, etc.....		35, 000
Miscellaneous, rent and repair of barracks, tools, kitchen utensils, lights, etc.....	20, 000	
		186, 000
Total land forces.....		766, 015

Coast Guard.

Annual cost of maintenance.

2 Inspectors, at \$1,800.....	\$3, 600
4 First Lieutenants, at \$1,200.....	4, 800
4 Engineers, at \$276.....	1, 104
4 Quartermasters, at \$216.....	864
30 Seamen, at \$156.....	4, 680
	<hr/>
	15, 048
Fuel.....	20, 000
	<hr/>
	35, 048

II. A coast guard service shall be established, operated and maintained as a constituent part of the Gendarmerie, under the direction and control of the Commandant of the Gendarmerie, and in addition to the annual expenses heretofore set forth, the sum of \$75,000.00 shall be allotted for the purchase of the necessary coast guard vessels for this service. These vessels may be used for the transportation of troops, Government employees, and the supplies of all departments, at the discretion of the Commandant of the Gendarmerie, subject to the direction of the President of Haiti.

III. All American officers of the Gendarmerie shall be appointed by the President of Haiti upon nomination by the President of the United States, and will be replaced by Haitians when they have shown by examination as provided for in Article X of the Treaty, that they are fit for command.

IV. The Gendarmerie shall be considered the sole military and police force of the Republic of Haiti, clothed with full power to preserve domestic peace, the security of individual rights, and the full observance of the provisions of the Treaty. It shall have supervision and control of arms and ammunition, military supplies and traffic therein throughout the Republic. It shall be subject only to the direction of the President of Haiti; all other officials desiring the services of the Gendarmerie, shall be required to submit requests through the nearest official of that organization.

The private guard referred to in Article 175 of the Constitution of Haiti shall be composed of one hundred men of the Gendarmerie, chosen by the President of Haiti, which men shall wear distinctive insignia while employed on that service.

V. All matters of recruiting, appointment, instruction or training, promotion, examination, discipline, operation, movement of troops, clothing, rations, arms and equipment, quarters and administration, shall be under the jurisdiction of the Commandant of the Gendarmerie.

VI. The Gendarmerie shall be organized and officered as provided for in Article X of the Treaty. The clerical force of the Gendarmerie shall be Haitian citizens.

VII. Rules and regulations for the administration and discipline of the Gendarmerie shall be issued by the Commandant, after being approved by the President of Haiti. Infraction of these rules and regulations by members of the Gendarmerie may be punished by arrest, imprisonment, suspension from duty without pay, forfeiture of pay, or dismissal under regulations promulgated by

the Commandant of the Gendarmerie and approved by the President of Haiti.

VIII. Other offenses committed by gendarmes will be investigated by the Gendarmerie officers as directed by the Commandant of the Gendarmerie. If the behaviour of a gendarme is unjustified, he may at the discretion of the Commandant of the Gendarmerie be discharged from the Gendarmerie, and after his guilt is established, be punished in the same manner as other Haitian citizens, or, if not discharged, he will be punished as provided for in Articles VII and IX of this agreement. Officers and enlisted men of the United States Navy and Marine Corps, serving with the Gendarmerie will continue to be subject to the laws of the United States for the Government of the Navy.

IX. A tribunal, consisting of five officers of the Gendarmerie, is authorized for the trial of gendarmes charged with conspiracy against the Government of Haiti. This tribunal will be ordered by the Commandant of the Gendarmerie and in case of conviction is authorized to inflict the punishment of death or such other punishment as the tribunal may adjudge and deem proper, in accordance with the laws of Haiti. All sentences of this tribunal after being reviewed and approved by the Commandant of the Gendarmerie, must be confirmed by the President of Haiti before being carried into execution.

X. Persons violating the laws governing traffic in arms, ammunition, and military stores, shall be punished by a fine not exceeding \$1,000, United States Currency, or imprisonment not exceeding five years, or both.

XI. The Haitian Gendarmerie shall be under the control of the President of Haiti, and all orders from him pertaining to the Gendarmerie shall be delivered to the Commandant through the Minister of the Interior. All other civil officials desiring protection or the services of the Gendarmerie will make application to the senior officer of the Gendarmerie in the locality.

XII. The sum of \$801,063 United States Currency, shall be appropriated annually for pay and allowances, equipment, uniforms, transportation, administration, and other current expenses of the Haitian Gendarmerie. Allotments for the various needs of the Gendarmerie shall be made from this sum by the Commandant, but the total of such allotments in any month shall not exceed one-twelfth of the total annual appropriation, provided, however, that the surplus from one month may be allotted in subsequent months.

XIII. Reports of expenditures shall be made by the Commandant as directed by the President of Haiti.

XIV. The laws necessary to make effective the above provisions shall be submitted to the legislative body of Haiti.

In witness whereof the undersigned have hereunto signed their names and affixed their seals in duplicate.

Done at Washington, D. C., this 24th day of August, nineteen hundred and sixteen.

ROBERT LANSING
SOLON MÉNOS

Agreement carrying out the provisions of Article XIII of the Treaty of September 16, 1915, with reference to the control of telegraphs and telephones in Haiti

The undersigned, duly authorized thereto by their respective Governments, have this day agreed:

I. That the operation, management and maintenance of the telegraphs and telephones in the Republic of Haiti shall be under the control and direction of the engineer or engineers to be appointed by the President of Haiti upon nomination by the President of the United States and authorized for that purpose by the Government of Haiti in accordance with Article XIII of the Treaty of September 16, 1915.

II. That in order that officers of the Gendarmerie shall be better able to fulfill their duties under the Treaty, the unrestricted service of the telegraphs and telephones is hereby assured to them, and in order to provide for the prompt transmission of messages of the Gendarmerie the officers thereof will afford all necessary protection to the lines.

In witness whereof the undersigned have hereunto signed their names and affixed their seals in duplicate.

Done at Washington, D. C., this 24th day of August, nineteen hundred and sixteen.

ROBERT LANSING
 SOLON MÉNOS

File No. 711.38/103b

The Secretary of State to the President of the United States

DEPARTMENT OF STATE,
 Washington, August 25, 1916.

DEAR MR. PRESIDENT: I beg to advise you that a protocol carrying out the provisions of Article X of the Treaty of September 16, 1915, between the United States and Haiti with reference to the formation of a gendarmerie and its command by American officers, was signed by the Minister of Haiti and myself yesterday afternoon.

A separate agreement was signed at the same time placing the control of telegraphs and telephones of Haiti under the direction of the engineer provided for in Article XIII of the Treaty.

I understand that the Secretary of the Navy is submitting to you for your approval a list of names of American officers and enlisted men who desire to serve with the gendarmerie. When these men have been nominated by you, the President of Haiti will be requested to appoint them in accordance with the provisions of the treaty.

Faithfully yours,

ROBERT LANSING

Protocol perfecting the French text of the Protocol of August 24, 1916, relating to the Haitian Gendarmerie

To the end that the French text of the Gendarmerie Agreement between the United States of America and Haiti, signed on August 24, 1916, shall conform more exactly with the English text thereof,

the undersigned, the Secretary of State of the United States of America and the Envoy Extraordinary and Minister Plenipotentiary of Haiti at Washington met together this day in the Department of State and, being duly authorized thereto by their respective Governments, have agreed to the following changes in the French text of the said Agreement, to wit:

The substitution in Article I of the words "frais de transport" in place of the words "frais de transportation";

The substitution at the end of Article II of the words "suivant les ordres du Commandant de la Gendarmerie, soumis à la direction du Président d'Haiti", in place of the words "au gré du Commandant de la Gendarmerie et sous la haute direction du Président d'Haiti"; and

The substitution in Article VIII of the words "suivant la décision du Commandant de la Gendarmerie", in place of the words "à la discrétion du Commandant de la Gendarmerie".

Done at the City of Washington, December 22, 1916.

ROBERT LANSING
 SOLON MÉNOS

FINANCIAL AND ECONOMIC AFFAIRS¹—ADMINISTRATION OF THE FINANCES OF HAITI BY AMERICAN OFFICIALS; AGREEMENT BETWEEN THE HAITIAN COMMISSION AND THE NATIONAL BANK OF THE REPUBLIC OF HAITI; APPOINTMENT OF AMERICAN OFFICIALS UNDER PROVISIONS OF THE TREATY.

File No. 838.51/461

Minister Blanchard to the Secretary of State

[Telegram]

AMERICAN LEGATION.

Port au Prince, January 6, 1916, 5 p. m.

Your December 31, 1 p. m.² After conference with Minister for Foreign Affairs and Minister of Finance reforms desired agreed to by the Government and instructions now being carried out by the Admiral.

BLANCHARD

File No. 838.51/463

Armiral Caperton to the Secretary of the Navy

[Telegram]

PORT AU PRINCE, *January 7, 1916.*

In preparing a system for paying employees and creditors of Haiti, it is important to know whether there is to be a continuation of the system under the treaty after the necessary officials have been appointed. In order to insure efficiency the plan laid now should be comprehensive in character, but such plan must be less comprehensive if system is to be later discontinued, with efficiency partially sacrificed. Recommendation is made that, if practicable, the treaty arrangement include this method of disbursement. 15107.

W. B. CAPERTON

¹ Continued from For. Rel. 1915, pp. 496-537.

² For. Rel. 1915, p. 537.

File No. 838.51/461

The Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,
Washington, January 8, 1916, 6 p. m.

Your January 6, 5 p. m. Department understands that abolishment of so-called palace guard has been accepted.

In the negotiation of an agreement with the Haitian Commission, for the organization of the gendarmerie, the Department proposed inclusion of provision as follows:

The gendarmerie shall be the sole military and police force of the Republic of Haiti.

Minister Ménos claimed that this would be contrary to the Constitution of Haiti which provides for a personal guard for the President and objected to the words "sole military". He now states that he received telegraphic instructions from his Government on the sixth instant to accept the wording proposed by the Department provided that there be added thereto "excepting the palace guard which shall not exceed two hundred and fifty men". He argues that this would make provision conform to Article 175 of the Constitution.

Continuance of the palace guard aside from being an unnecessary extravagance may well prove a source of danger to the Government of Haiti in the future and it would be impossible for the gendarmerie properly to guard the palace or for any member of the gendarmerie to be detached for special duty for personal attendance on the President, if the palace guard were allowed to remain in existence.

You will bring the foregoing discreetly and orally to the attention of President Dartiguenave and point out to him that his personal safety may be at stake and that the Department believes it highly desirable that the following phraseology be accepted by the Commission:

The gendarmerie shall be the sole military and police force of the Republic of Haiti and the personal guard of the President shall be formed from members of the gendarmerie.

This phraseology meets the objection raised by Minister Ménos.

You will suggest to the President that he immediately telegraph the Commissioners to accept the above and you will furnish the Department a copy of the telegram which he may send in that sense. Hasten reply as Department desires to conclude matter with Commissioners Monday next.

LANSEING

File No. 838.51/463

*The Secretary of State to the Secretary of the Navy*DEPARTMENT OF STATE,
Washington, January 11, 1916.

SIR: I have the honor to refer to Admiral Caperton's telegram No. 15107, relative to the preparation of a system for paying the employees and creditors of the Republic of Haiti in accordance with the telegraphic instructions dated December 31, 1 p. m. to the American

Minister at Port au Prince, which you were good enough to have transmitted by radio.

In view of the existing conditions, it is believed that any system that may be formulated under the Admiral's directions at this time could only be of a temporary nature and would no doubt be subject to revision and amplification by the Financial Adviser as contemplated in the treaty. It is much to be desired, however, that the method of disbursement now to be put in force by Admiral Caperton shall be as comprehensive and as efficient in character as the means at his disposal will permit.

In this connection, and in view of the fact that no expenditures are now being made for the army and navy, for the service of the public debt and for the treasury service of the bank, and, inasmuch as the disbursements for public works and the cost of collecting customs revenues are being met from other sources, it is hoped that the sum of \$100,000 per month, or its equivalent in gourdes, which the Admiral has been authorized to use for necessary current expenditures of the Haitian Government, will prove more than sufficient for this purpose. Dating from January 1, 1916, it is intended that the Admiral shall not make use of this money to pay the salaries of public employees or the creditors of the Haitian Government for services rendered previous to that date, except the salaries of public employees in the provinces for December 1915. Every effort should be made to prevent salaries from being paid to Haitians whose services are only nominal and also to eliminate the present pernicious system of discounting salaries and government orders.

From the information before me, I am inclined to think that many of the expenditures contemplated in former budgetary laws and in the budgetary law of December 2, 1915, in particular, are ill-advised and probably in excess of the revenues which may be available for such purposes in the future.

I shall be glad if you will find it possible to bring the foregoing to the attention of Admiral Caperton with such appropriate instructions as you may see fit to give in the matter.

I have [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 838.51/464

Minister Blanchard to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Port au Prince, January 13, 1916, 9 a. m.

Your January 8, 6 p. m. Instructions complied with. Accompanied by Admiral Caperton and Colonel Waller in an interview on Tuesday morning with the President at which Minister for Foreign Affairs was present both the President and Minister for Foreign Affairs approved of telegraphing the Haitian Commissioners to accept the Department's phraseology, and appointment made for that afternoon with the Minister for Foreign Affairs when the wording of telegram would be communicated to me. Discussion as to the *modus operandi* for the disbandment of the guard lasting

three hours then took place. Finally, the President decided that it would be necessary to have the sanction of Council on the proposed plan of disbanding of the guard and replacement by gendarmerie. Unofficially the President personally agreed with Department's view as set forth. On keeping the afternoon appointment with the Minister for Foreign Affairs, he requested a delay of twenty-four hours stating that the whole matter had been placed before the Council.

Late yesterday evening Minister for Foreign Affairs called at the Legation and declared to me that

the Haitian Government deems that the question of gendarmerie being one of those to be arranged between the Department of State and the Haitian Commissioners, it is necessary for the Government to leave to the negotiators at Washington the settlement of everything with reference thereto; consequently instructions have been sent to our Commissioners with a view to settle the question of the President's guard.

As reported in my telegram of January 6, 5 p. m. and as will appear from the above, the disbandment of the palace guard was accepted, along with the other reforms, but apparently have not been sustained by a majority of the Council, and the view that the question of the palace guard should be decided in Washington having prevailed the Haitian Commissioners were instructed accordingly.

BLANCHARD

File No. 838.00/380

Admiral Caperton to the Secretary of the Navy

[Extract]

PORT AU PRINCE, *January 14, 1916.*

1. The President of Haiti and the members of his Cabinet were informed that no further funds would be turned over to the Government directly, but that necessary payment of salaries would be made to the individuals concerned, under the supervision of Rear Admiral Caperton or his representatives. As this appeared to be the most direct method of arriving at the desired end, it was decided to so proceed.

2. Payment by checks of a non-negotiable nature was decided upon as being the most expeditious and safest method of fulfilling the conditions laid down, that is, that funds should reach the hands of the individuals concerned. A modified form of check, or in reality a receipt, was drawn up and adopted, which is believed to be suitable for the purpose.

3. The procedure now being followed is divided into two stages; (a) That of inspecting the lists submitted, comparing with the budget to ascertain the legality of the payments in a general way, and sorting out salary lists from claims for payments of miscellaneous kinds; (b) that of preparing receipts and lists of payees and delivering the receipts to the individuals concerned, who are then to cash them at the bank after proper identification. The first stage of the work has presented many difficulties. No definite budget of the authorized expenditures for the months of November and December 1915 is obtainable, the law of December 2, 1915 giving no details sufficient to be used as a guide. Consequently it was decided to work from the budget for the fiscal year 1914-1915. Exceptions will be

made for sufficient cause and explanation, if deemed necessary. The lists submitted are carefully inspected and compared with the budget to insure that the proper positions and salaries are provided for. Those lists that pertain to Port au Prince are checked by Haitians familiar with the Government employees; absentees, duplications, etc., eliminated. As far as possible the same is done with lists pertaining to the provinces, but this will be later supplemented by investigation on the spot.

4. In spite of the understanding that payments are to be made to individual payees only, constant effort is being made to secure lump sums for subsequent distribution by the Haitian authorities. It was early suggested by the Minister of Finance that while arrangements were being made preliminary to starting the new system it would be well to transfer the first weekly payment of \$25,000.00 for January in the old manner. It was explained that this was impossible. Several statements have been submitted designed to secure sums for general purposes, notably that for the secret police, which amounted to \$5,000.00 approximately for December and a part of November, however, all impossible or doubtful claims are being laid aside, and the payable ones, after necessary corrections, are being put into shape for settlement.

5. As soon as an original list is fully corrected it is rewritten on the typewriter in triplicate. One copy is to go to the officer who distributes the receipts (except in Port au Prince, where this copy goes to the Executive Department of the Government to which the employees are attached), one copy goes to the bank, and the third is the file copy. These lists are marked with the Department, chapter and section of the budget to which they pertain. The receipts are prepared on the typewriter, being printed in strips, of five to a strip. Carbon copies of each strip are retained, this saving the added labor of writing stubs.

6. The method adopted is considered to be the best for carrying out the object in view, since the payee is required to present himself at the bank, be identified, and personally receive the money. The various branches of the bank throughout the country are better prepared to secure proper identification than any other agency. At the same time the plan provided for direct supervision of American authorities over the entire system.

W. B. CAPERTON

File No. 838.51/489

Admiral Caperton to the Secretary of the Navy

[Telegram]

PORT AU PRINCE, *January 16, 1916, 1:30 p. m.*

All Haiti quiet. Treaty negotiations completed. Military control of situation and *status quo* being maintained, pending the results of the conference now in progress at Washington, D. C., and the appointment of officers to serve under the *modus vivendi*.

The expeditionary force is maintaining military control of the ports of entry, organizing the gendarmerie, and undertaking such other operations as necessary to preserve peace and order throughout

Haiti. Naval paymasters under Paymaster Conard continue in charge of the customs service and fiscal matters. Practically entire Haitian financial system is now being so administered.

W. B. CAPERTON

File No. 838.51/464

The Secretary of State to Minister Blanchard

[Telegram—Extract]

DEPARTMENT OF STATE,

Washington, January 18, 1916, 8 p. m.

Your January 13, 9 a. m. Phraseology of provision regarding gendarmerie recommended for acceptance by President Dartiguenave in the Department's January 8, 6 p. m. was submitted to the Haitian Commissioners. Minister Ménos declined to sign agreement embodying this wording, claiming that he considers telegraphic instruction received by him on sixth instant as expressing the opinion of his Government but not as instructions to agree thereto. The Commission also advanced the proposition that if the gendarmerie were considered as a military and police force its administration should fall under Department of War as well as that of the Interior.

The Department believes that the phraseology and provisions recommended are absolutely necessary to insure an efficient organization and the peace and prosperity of Haiti. In this Navy Department concurs.

Minister Ménos has agreed to telegraph his Government for instructions regarding the acceptance of our proposal. With a view to obtaining an agreement on these questions in which both Governments are in complete accord, you will immediately inform the President in person of the above and urge that the Commissioners be definitely instructed to accept and sign the agreement including the provision that the gendarmerie shall be considered as the sole military and police force of the Republic of Haiti, that the personal guard of the President shall be formed from members of the gendarmerie and that the gendarmerie shall be subject only to the directions of the President of Haiti and the Minister of the Interior.

Considerations of safety, efficiency and national expediency should prompt the President to direct the immediate issuance of these instructions in order that his Commissioners may conclude the agreement which is necessarily preparatory to the discussion of the financial situation.

LANSING

File No. 838.51/466

Minister Blanchard to the Secretary of State

[Telegrams]

AMERICAN LEGATION,

Port au Prince, January 19, 1916, 6 p. m.

Your January 18, 8 p. m. Instructions followed. President and Minister for Foreign Affairs stated that Commission has been instructed by telegraph to agree that "the gendarmerie shall be the sole military and police force, etc., to end of the paragraph of De-

partment's telegram," with the following added, "the elite of the gendarmerie composing the guard of the President will have distinctive insignia and will form permanent corps assigned to this duty". Meanwhile, former palace guard has been paid, disbanded and replaced by gendarmerie.

BLANCHARD

File No. 838.51/467

AMERICAN LEGATION,
Port au Prince, January 20, 1916, 5 p. m.

In the course of yesterday's interview the President stated that Minister Ménos has been instructed to call special attention to the present unsatisfactory situation due to the non-application of the treaty to the fullest extent at present possible and to urge the provisional appointment of Paymaster Conard as Receiver General, Captain Beach as Financial Adviser and Lieutenant Oberlin as Engineer, as this would materially assist the Haitian Government in a solution of many of the present difficulties.

The President asked that I bring the attention of the Department to this matter and in doing so I respectfully submit that this Legation fully concurs with the President that an early appointment of the above officers would relieve the situation in enabling the Haitian Government to proceed with the preliminary work incident to the carrying out of reforms and improvements contemplated by the treaty and would urge action as early as possible.

BLANCHARD

File No. 838.51/468

AMERICAN LEGATION,
Port au Prince, January 20, 1916, 6 p. m.

My January 19, 6 p. m. In the conferences as to the *modus operandi* of disbandment of the palace guard and its replacement by members of the gendarmerie as the personal guard of the President, it was understood that this guard would be composed of picked members of the gendarmerie selected from all over the Republic, to be assigned permanently to this duty and that they would be given special insignias. These arrangements were matters of detail which it was considered were well within instructions and therefore not necessary to be referred to Washington. But in view of the fact that instructions to this effect have been telegraphed by the Haitian Government to its Commission it is strongly urged that the Department will agree thereto.

BLANCHARD

File No. 838.51/469

AMERICAN LEGATION,
Port au Prince, January 20, 1916, noon.

Following note received from Haitian Minister for Foreign Affairs:

[Translation]

For reasons of strict economy, in the presence of the difficulties of the financial situation now existing, aggravated as much by late civil troubles as by the European war, the Haitian Government has decided to provisionally confine the guard of the national palace to an elite corps drawn from the Haitian

gendarmerie and of which the members will be acceptable to the President of the Republic.

It is well understood that this decision of civil authorities does not prejudice in any way, contrary dispositions that may be agreed upon at Washington between the Department of State and our Special Commissioners.

I take it for granted that the Haitian Commission, in pursuance of instructions telegraphed yesterday, have agreed to phraseology of provision regarding gendarmerie. Therefore, unless I hear from you to the contrary, I will, on Monday next, acknowledge receipt and concur in second paragraph as quoted.

BLANCHARD

File No. 838.51/470

The Secretary of State to the Secretary of the Navy

DEPARTMENT OF STATE,
Washington, January 26, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of January 21, 1916, with which you were good enough to enclose a copy of the report of the Commander of the Cruiser Squadron, Atlantic Fleet, at Port au Prince, Haiti, on the system adopted for paying employees of the Haitian Government.

I have read this report with interest and desire to commend the efficient disposition that Admiral Caperton has made of the means at his disposal to carry out the purpose of this Government to safeguard as far as possible the interests of all concerned.

I have [etc.]

ROBERT LANSING

File No. 838.51/489

Admiral Caperton to the Secretary of the Navy

[Telegrams]

PORT AU PRINCE, February 2, 1916.

Doctor Audin appointed Minister of Public Instructions. Public Works transferred to charge of Minister Borno. Government discharging many unnecessary officials in all Departments. New method of paying Government employees is being received with general satisfaction, this method of paying direct and on time should break up pernicious system of discounting salaries. Many demands being made for back debts but am not considering these at present. 13402.

W. B. CAPERTON

File No. 838.51/489

PORT AU PRINCE, February 8, 1916.

Am paying salaries public employees by nonnegotiable, non-transferable checks. Injunction brought on bank in many cases attaching salaries. Law permits not more than one-third salary attached any month. If attachments allowed and but two-thirds salary paid employee system of discounting salaries will continue

* Inclosure only printed. See letter from Admiral Caperton to the Secretary of the Navy, January 14, 1916, p. 341 ante.

to flourish. Should attachments be not allowed, Government and judges say not would show United States had but little regard or respect for Haitian law and custom. Recommend that I be instructed to inform Government that as these attachments interfere with purpose of United States they will not be regarded and bank will be given military order to that effect. This matter of discounting salaries has been engaged in by comparatively few speculators. It is believed that this system would entirely stop if it became known that those who discount will not be aided by United States in collecting their claims. 22408.

W. B. CAPERTON

File No. 838 51/489

The Secretary of the Navy to Admiral Caperton

[Telegram]

NAVY DEPARTMENT,
Washington, February 11, 1916.

Situation as outlined not thoroughly understood. What are grounds of suit in which attachments are issued? If for legitimate debts what is objection to permitting attachment in such case to stand pending final adjudication? Is it possible to attach present pay in suit to collect for discounted arrears of pay, if so, how can current salary be discounted under present method of paying, if so, should not system be further modified? Why will permitting attachments to stand encourage salary discounting? Would the investigation of cause of suit involve such difficulties that all must be recognized or all disregarded? 16010.

JOSEPHUS DANIELS

File No. 838.51/489

Admiral Caperton to the Secretary of the Navy

[Telegram]

PORT AU PRINCE, February 12, 1916.

Haitian Law permits salaries of Government employees to be attached thus stopping one-third for benefit of creditors. Attachments are of two kinds, court injunctions and "oppositions". Latter extremely informal and require practically no proof of indebtedness. They are issued to cover speculators in pay accounts, the practice of buying present and future salaries at heavy discount being very prevalent. It is desired to disregard these oppositions entirely and thus carry out the Department's instructions to pay each employee individually. Court injunctions should of course be obeyed but these are small percentage of attachments. Under opposition system present and future pay can be attached for discounted arrear of pay and also for discounted rights to future pay. Present method of paying will not prevent this practice as long as it is permitted to set aside one-third of all salaries becoming due. Not necessary to modify system of payments, but it is necessary to issue military order declaring invalid sequestration of one-third of em-

ployees salary. Have instructed Bank to temporarily suspend all payments affected by attachments pending advice from Department. Matter has become urgent as Bank has been cited to show cause why two-thirds payment should not be made to individual in one specific case. 00312.

W. B. CAPERTON

File No. 838.51/475

The Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,

Washington, February 12, 1916, 6 p. m.

Referring to Admiral Caperton's radiograms 22408 and 00312 the Department sees no objection to permitting attachment of salaries by court injunction for legitimate debts only. But in view of purpose of this Government to do away with pernicious system of discounting salaries and Government orders, the Department believes that necessary steps should be immediately taken, preferably by the Haitian Government, to make attachment by "opposition" impossible under law. Should this prove impracticable for any reason, the Department believes that military order suggested by Admiral Caperton should be resorted to, notwithstanding its desire to show all respect for Haitian law. You will, therefore, confer with the Minister for Foreign Affairs and with the President if necessary, in order to obtain the cooperation of the Haitian Government in the endeavor to attain these ends by executive decree or otherwise, and report by cable.

As a military order would appear to afford the objection that legal action upon opposition attachments would merely be deferred and that resumption of discounting and presentation of claims would take place immediately upon the termination of the military order, the Department would prefer to consider this method as a last resort.

LANSING

File No. 838.51/476

Minister Blanchard to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Port au Prince, February 15, 1916, 9 a. m.

Your radio February 12, 6 p. m. After three hours conference yesterday evening with the Minister for Foreign Affairs I find that it is impossible to repeal by executive decree Haitian law permitting attachment one-third salary of public employees nor can the Haitian Government take steps to make attachment impossible under the law. Therefore, to obtain desired ends it will be necessary to resort to military order suggested by Admiral Caperton.

In order to respect the law in so far as it applies to an honest debt and at the same time to accomplish the purpose of the United State to discourage pernicious system of discounting salaries and Government orders I recommend that the Admiral give military

order to the Bank to respect attachment one-third salaries by court injunction debts only except when such injunctions are because of discounting salaries.

BLANCHARD

File No. 838.51/476

The Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,
Washington, February 18, 1916.

Your February 15, 9 a. m. Since January 1, 1916, Admiral Caperton, with the consent of the Haitian Government, has been paying salaries direct to all public employees under a plan formulated with a view to do away with the pernicious system of discounting salaries and Government orders. The Admiral should therefore disregard any form of attachment of salaries, particularly attachment by "opposition," which interferes with the purpose of this Government, but with a view to show every respect for the Haitian law in so far as it applies to an honest debt, the Admiral may recognize attachment of one-third salaries by court injunctions, provided that such injunctions are based upon action for legitimate debts only, in no way connected with discounting of salaries.

It is presumed that the issuance of mandate for salaries has been permanently discontinued.

LANSING

File No. 838.51/511

Admiral Caperton to the Banque Nationale de la République d'Haiti

PORT AU PRINCE, *February 20, 1916.*

GENTLEMEN: You will be guided by the following military order. Having been directed by the United States Government to use part of the funds deposited in my name in the Banque Nationale de la République d'Haiti to pay certain employees of the Haitian Government the amounts due them and it having been brought to my attention that in some individual cases injunctions and attachments have been filed with said Banque requiring the withholding of one-third part of each payment authorized to be made by me or by my representatives it is therefore ordered:

"The Banque Nationale de la République d'Haiti will disregard all injunctions on salaries of Government employees for withholding one-third of their salaries except in cases of injunctions issued as the result of court judgments, and only where such injunctions do not result from the discounting of salaries or the loan upon the guaranty of salaries in any shape whatsoever."

Very respectfully [etc.]

W. B. CAPERTON

File No. 838.51 '488

The Minister of Haiti to the Secretary of State

[Translation]

LEGATION OF HAITI,
Washington, February 24, 1916.

MR. SECRETARY OF STATE: I have the honor to inform your excellency that a contract for the repairing of the streets and wharves of Port au Prince dated October 15, 1912, and flowing from a concession deed approved by the Legislative Body on August 27, 1910, granted to a corporation styled *Compagnie Haitienne de Construction* a special appropriation bearing on "all the important duties yielded by oils and essential oils of all kinds (kerosene, turpentine and others) paint, matches, tar, rosin and coal tar." The said appropriation was estimated at not less than seven thousand dollars a month and if falling short of that amount, the difference was to be made good by the duties on "coffee and coffee sorting," collected *ex officio* by the National Bank of the Republic of Haiti.

The construction company has been receiving since September 1915, seven thousand dollars a month to be applied to the settlement of work under way. But these monthly payments which helped to keep running work going are not enough to cover a balance of \$45,372.12 due the company since its last settlement with my Government. It has agreed to receive up to that amount monthly instalments of 5,000 dollars and to begin work on new sections at once. But it has met with a refusal on the part of Mr. Charles Conard, Collector of Customs, who, though admitting that the work is urgently needed, declared that he was without instructions from Washington in the matter.

On hearing of the objection, my Government has instructed me to bring the facts to your excellency's knowledge in the hope that the *Compagnie Haitienne de Construction* may be given the means of carrying on a work whose usefulness cannot be overstated.

Be pleased [etc.]

SOLON MÉNOS

File No. 838.51/481

Minister Blanchard to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Port au Prince, February 26, 1916, 9 a. m.

Your February 18, 4 p. m. last paragraph. Mandates are still issued by the Government for payments desired by it. When received by the administrator of customs the facts are inquired into and payments made, when considered proper, to the individuals to whom the amounts are due, never to the Government payers. While these mandates are not necessary they serve to indicate the Government's concurrence in payments made.

BLANCHARD

File No. 838.51/483

The Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,
Washington, February 29, 1916, 6 p. m.

The Haitian Minister, under instruction from his Government, has requested that the sum of forty-five thousand dollars due the Compagnie Haitienne de Construction for work already performed be liquidated by monthly payments of five thousand dollars, in addition to the seven thousand dollars per month which the Admiral is now paying the company for present work in conformity with its contract. The Department would be glad to receive your recommendation as regards the advisability of complying with the request of the Haitian Government in view of the desirability of bettering the sanitary conditions at Port au Prince and of furnishing increased opportunities for work to the unemployed.

LANSING

File No. 838.51/485

Minister Blanchard to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Port au Prince, March 3, 1916, 10 a. m.

Your February 29, 6 p. m. Liquidation of the forty-five thousand due the Compagnie Haitienne de Construction, comprising forty-two thousand dollars for work performed and three thousand dollars loan to the Government previously, should, in my opinion, come under the category of claims to be covered by loan of two million dollars.

Considering the urgent necessity for an early completion of street paving and sewers in accordance with contract for sanitary reasons and public utility, I recommend that sum of five thousand dollars a month, in addition to the seven thousand dollars now paid, be allowed above-mentioned company to settle for work for that value performed in the first article in addition to the seven thousand dollars worth.

BLANCHARD

File No. 838.51/485

The Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,
Washington, March 8, 1916.

In view of recommendation in second paragraph your telegram of March 3, 10 a. m., the desirability to afford work for unemployed and the statement of the president of the company that increased payments will permit him to employ more natives, the Admiral may, if he so deems advisable, increase monthly payments to the Compagnie Haitienne de Construction under the authority given on Au-

gust eighteenth last, provided that the company expends this money in actual work and agrees to such supervision as the Admiral may deem desirable.

LANSING

File No. 838.51/511

Admiral Caperton to the Secretary of the Navy

[Telegram]

PORT AU PRINCE, March 13, 1916.

Balance in my account February 29th 850,000 dollars. Collections in February were 300,000 dollars and transfers for disbursements were 180,000 dollars. It is believed that revenues will not fall appreciably during next six months as coffee shipments will continue to some extent during summer and heavy shipments of logwood are now waiting transportation. Information requested from Department of Commerce as to probability of logwood market holding at present high prices with special reference to possibility of aniline dye industry interfering. Exchange between gourdes and gold now five to one and effort will be made to hold it there. This can be done if present uncertain conditions can be remedied. Extremely important that immediate steps be taken to settle all valid claims against Haitian Government and thus restore feeling of confidence. It is earnestly hoped that bonded indebtedness will be consolidated and that all special liens on various custom revenues will be abolished, otherwise it will be impossible to properly revise tariff. If this be done prorating of available balance as contemplated would be unnecessary, as all just claims should be paid regardless of particular affectations involved. If possible recommend immediate short term loan of five hundred thousand dollars to be expended by American occupancy in settling Haitian debts, to be used in addition to balance of custom receipts available for that purpose. A commission should be appointed as soon as possible to pass on all claims. This loan should later be included in consolidated debt and any balance should be available for public works.

Delay in appointment of Financial Adviser and General Receiver is having bad effect, as no permanent steps can be taken pending their arrival. 21413.

W. B. CAPERTON

File No. 838.51/511

The Secretary of the Navy to Admiral Caperton

[Telegram]

NAVY DEPARTMENT,
Washington, March 16, 1916.

You are authorized, with the concurrence of the Haitian authorities, to apply five hundred thousand dollars of surplus revenue of Haiti now held by you on a per cent basis to the purposes for which the revenue had been lawfully pledged by the Government of Haiti prior to July 27, 1915; statement furnished by the National Bank of Haiti shows the amount which should have been applied to each

purpose during period of American occupancy and proration should be made on basis of these figures; as payments have been made under your direction for some objects to which revenues were pledged, such payments should be deducted from the *pro rata* share now available for these objects and in cases where actual payments have exceeded the *pro rata* share nothing should be paid at this time. It is believed that March 1 would serve as convenient for prorating these payments. This distribution is being authorized at present time more to relieve financial stringency than to settle outstanding claims against Haitian Government, and with this object in view the money should be placed in circulation in Haiti with least possible delay. Should it be impossible to purchase in Haiti sufficient drafts on Paris or Le Havre promptly to remit money for service of foreign loans arrange to have manager of bank undertake purchase drafts on New York and have money transmitted to France through New York agent of the bank. It was stated in Department's 10130, December, National Bank of Haiti probably only source from which an immediate unsecured advancement could be obtained and it would seem no steps looking towards securing such a loan should be taken prior to settlement of controversy between bank and Haitian Government which is now subject negotiations with Haitian Commission. Assessment of loan and other financial matters mentioned in your 21413 should await appointment of Financial Adviser which will be made as soon as possible. Trade adviser of State Department states it would seem that the present high price on logwood will probably be maintained until dyes can be obtained from Germany. If method of prorating not thoroughly understood further instructions will be given. 15015.

JOSEPHUS DANIELS

File No. 711.38/78

Minister Blanchard to the Secretary of State.

[Telegram]

AMERICAN LEGATION,
Port au Prince, May 2, 1916, midnight.

In view of the delay in the completion of the labors of the Commission in which the Haitian Government has been much concerned the Minister for Foreign Affairs has handed me the following memorandum which, at his request, is forwarded to the Department for its consideration:

[Translation]

More than four months have gone by since the Haitian Commission arrived at Washington. After all this lapse of time, the work accomplished is the following:

1st. A regulation concerning the organization of the gendarmerie.

2d. Negotiations with the National Bank of the Republic of Haiti.

There remains

(1) To complete the understanding with the National Bank of the Republic of Haiti.

(2) To undertake a settlement of the difference with the National Railroad.

(3) To determine the organization and the working of the General Receivership and of the office of the Financial Adviser (Articles two, three, four, five, six, of the Convention).

(4) To prepare the projects of laws or decrees provided for in Article 3.

(5) To prepare a protocol for the settlement of foreign claims.

(6) To determine the status of the engineer or engineers provided for in Article 13.

(7) To examine, classify, etc., the debts of the country and devise means for their settlement (loan, etc.)

The first, second, third, fifth and sixth points could be confided to the Haitian Legation at Washington. The Haitian Government would appoint a Counsellor to the Haitian Minister.

The fourth point could be settled at Port au Prince between the Legation of the United States and the Department of Foreign Affairs.

The seventh point could be settled at Port au Prince when the Financial Adviser would have informed himself as to the financial situation.

Under such conditions the maintaining of the Haitian Commission at Washington is therefore in no wise necessary.

The Haitian Government would be happy to have the Government of the United States enter into these views.

BLANCHARD

File No. 711.38/81a

The Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,
Washington, May 11, 1916, 4 p. m.

Question of commission charged by National Bank on sixty million franc loan nineteen ten is only point on which Commissioners and Bankers cannot agree. Pursuant to instructions from Paris, Bankers definitively decline to consider further concession or to reopen incident deemed closed in nineteen twelve. In view importance immediate settlement, you may apprise President of Department's opinion that Commission should be instructed to agree with Bankers and immediately close entire question. Your May 2, midnight. Upon conclusion this matter and of negotiations with National Railroad now under way it is believed that Commission might return to Haiti.

LANSING

File No. 711.38/82

Minister Blanchard to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Port au Prince, May 15, 1916, 5 p. m.

Your May 11, 4 p. m. complied with. Commission instructed to agree with the bankers.

BLANCHARD

File No. 711.38/83

The Minister of Haiti to the Secretary of State

[Translation]

LEGATION OF HAITI,
Washington, June 12, 1916.

MR. SECRETARY OF STATE: I have the honor to inform your excellency that the Haitian Commission sent to Washington as early as December last to insure the application of the Convention of September 16, 1915, has been instructed to return to Haiti.

My Government in informing me of this decision forced by necessity was pleased to tell me that it would soon send me special powers to settle the matter of the Compagnie Nationale des Chemins de Fer d'Haiti (Railways) and other questions.

Be pleased [etc.]

SOLON MÉNOS

File No. 711.38/88

The Secretary of State to Chargé Scholle

[Telegram]

DEPARTMENT OF STATE,

Washington, June 15, 1916, 4 p. m.

Haitian Minister informs Department Commission has been recalled. Congress having passed bill authorizing American Naval and Marine officers to serve with Haitian constabulary, amended agreement embodying recommendation of Major Butler has been submitted to Commission. Bank agreement merely awaits formal signature and Railroad's argument has been presented.

Request that Minister be immediately and definitively instructed to conduct and conclude these negotiations. Cooperate with Butler who may materially assist in obtaining consent to desired changes in Constabulary agreement. Department believes, however, that Engineer of Public Works cannot properly be included therein, but will recommend naval officer for that position.

LANISING

File No. 711.38/84

Minister Blanchard to the Secretary of State

[Telegram]

AMERICAN LEGATION.

Port au Prince, June 17, 1916, 9 a. m.

Your June 15, 4 p. m. Minister for Foreign Affairs states that Minister Ménos has been instructed by telegraph to conduct and conclude stated negotiations. Similar full powers as given Commission have been forwarded by mail to him.

BLANCHARD

File No. 838.51/51a

The Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,

Washington, June 23, 1916, 4 p. m.

The President, pursuant to treaty stipulations, has nominated Mr. A. J. Maumus, of Louisiana, as General Receiver, and Mr. W. S. Matthews, Junior, of Mississippi, as Deputy General Receiver of Customs of Haiti.

Please so inform the President and state that this Government will be happy to learn of his appointment of these officials.

Question of Financial Adviser receiving utmost attention of Department.

LANISING

File No. 838.51/520

The Minister of Haiti to the Secretary of State

[Translation]

LEGATION OF HAITI,
Washington, June 26, 1916.

MR. SECRETARY OF STATE: I have had the honor to receive the note dated June 22 by which your excellency was pleased to inform me that, in accordance with Article 2 of the Convention of September 16, 1915, between the Government of Haiti and that of the United States, the President of the United States was pleased to designate Mr. A. J. Maumus of Louisiana as Receiver General and Mr. W. S. Matthews, of Mississippi, as Deputy Receiver General of the Customs of Haiti and that these nominations had been communicated to my Government through the American Legation at Port au Prince.

I was glad to hear also that the Department of State is considering with the greatest attention the question of selecting the Financial Adviser provided by the convention.

The Financial Adviser and the Receiver General may so be put in position soon to render the eminent services which my Government expects of them and which are demanded with extreme urgency by the economic condition more and more trying of the Republic of Haiti.

The Haitian Government has shown unquestionable evidence of its firm will to accomplish the required reforms, all the reforms without any exception whatever. All offices in the military service and many in the civil service have been abolished. Considerable reductions have been made in the appropriations. Those measures have thrown on their own resources numberless citizens who theretofore lived on the salary paid them by the Government. The Haitian Government in taking this new departure had relied to a certain extent on the industrial and agricultural works that were to be started in the country by American capital spurred on by the good offices which Article I of the convention puts upon the Government of the United States. But that financial aid has not been forthcoming and my Government was constrained to suspend its reforms, yielding to a natural feeling of justice and humanity, yielding also to the necessity of warding off pardonable disaffection among the Haitian people.

It is important to have it even now made clear to all that the Government of the United States did not intervene for the sole purpose of setting up a stable Government and guaranteeing public order but also for that of contributing by practical assistance to industrial and agricultural activities to a true economic transformation of the Haitian nation.

This transformation cannot be the work of a day; that is obvious; but the wretched condition of the most part of the Haitian community does not permit of further delay in beginning the work.

* Not printed.

In imparting to your excellency the views of my Government, I beg you to bear in mind the great value it attaches to the good offices of the American Government from an economic and financial standpoint.

Be pleased [etc.]

SOLON MÉNOS

File No. 838.51/520

The Minister of Haiti to the Secretary of State

[Translation]

LEGATION OF HAITI,
Washington, June 28, 1916.

MR. SECRETARY OF STATE: I have the honor to inform your excellency that the President of Haiti has agreed to the proposition made by the President of the United States to appoint Mr. A. J. Maumus as Receiver General and Mr. W. S. Matthews as Deputy Receiver General of the Customs of the Republic of Haiti.

The President of Haiti hopes soon to have the opportunity and pleasure of also appointing the Financial Adviser as provided by Article II of the Convention of September 16, 1915, between the Republic of Haiti and the United States of America.

Be pleased, [etc.]

SOLON MÉNOS

File No. 838.15/12a

The Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,
Washington, July 5, 1916, 5 p. m.

The President, pursuant to treaty stipulations, has nominated Lieutenant Edgar Garfield Oberlin, United States Navy, as one of the engineers provided in Article XIII of treaty.

Inform President as in case of previous nominations.

LANSING

File No. 838.15/15

The Minister of Haiti to the Secretary of State

[Translation]

LEGATION OF HAITI,
Washington, July 7, 1916.

MR. SECRETARY OF STATE: I had the honor to receive the note, dated the 5th instant,⁴ by which your excellency informed me that, in accordance with Article XIII of the Convention of September 16, 1915, between the Republic of Haiti and the United States, the President of the United States had nominated Lieutenant Edgar Garfield Oberlin, United States Navy, as one of the engineers who are to supervise and direct the sanitary service and the public works of Haiti and that this nomination had been communicated

⁴ Not printed.

to my Government through the American Legation at Port au Prince.

In thanking your excellency for this communication I hasten to inform you that the President of Haiti has approved the nomination made by the President of the United States.

Accept [etc.]

SOLON MÉNOS

File 838.51/526a

The Acting Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,
Washington, July 8, 1916, 3 p. m.

The President, pursuant to treaty stipulations, has nominated Mr. Addison T. Ruan as Financial Adviser as provided in Article II of Treaty.

Inform the President as in case of previous nominations.

POLK

File 838.51/526a

The Secretary of State to the Minister of Haiti⁵

DEPARTMENT OF STATE,
Washington, July 10, 1916.

I have had the pleasure to receive a copy of the agreement which, as a result of the good offices that the Department of State has been happy to lend in this connection, has been entered into this day between yourself and Messers. Pierre Hudicourt and Auguste Magloire as members of the Haitian Commission, and Messrs. Maurice Casenave and R. L. Farnham on behalf of the National Bank of Haiti, regarding the adjustment of the differences that have heretofore existed between the Haitian Government and the said Bank.

I have noted that the concluding paragraph of Article IV of the said agreement reads, translated, as follows:

The Bank's commission bearing on the sums that the Receiver General is to collect, receive and apply, shall be included in the expenses of the Receiver General's office referred to in Article VI of the American-Haitian Convention of September 16, 1915.

In view of the relation that this clause bears to Article VI of the aforesaid Convention, the Government of the United States, in case the residue of the five per centum of the collections and receipts from customs duties of the Republic of Haiti, after paying the expenses of the receivership, including salaries and allowances of the General Receiver, his assistants and employees, and the salary and expenses of the Financial Adviser, should in any year be insufficient to defray in full the commission of the bank upon the sums incident to the collection, receipt and application of such customs duties, will endeavor to reach with the Government of Haiti a mutually satisfactory agreement thereon, as provided in the above-mentioned Article VI of the convention.

Accept [etc.]

ROBERT LANSING

⁵ *Mutatis mutandis* to the President of the Banque de la République d' Haiti.

File No. 838.51/538

The Secretary of State to Minister Blanchard

DEPARTMENT OF STATE,
Washington, July 12, 1916.

SIR: For your information and the files of your Mission, there is herewith enclosed a copy of a note addressed, on July 10, to the Minister of Haiti and *mutatis mutandis* to Monsieur Maurice Casenave, President of the National Bank of Haiti, on the occasion of the signing of the agreement between the Haitian Commissioners and the representatives of the National Bank of Haiti; a translation of which agreement is likewise enclosed.

I am [etc.]

For the Secretary of State:
ALVEY A. ADEE

[Inclosure—Translation]

AGREEMENT BETWEEN THE HAITIAN COMMISSION AND THE NATIONAL BANK OF
HAITI

Between the undersigned:

1st. The Government of the Republic of Haiti represented by (a) His Excellency Monsieur Solon Ménos, Minister Plenipotentiary and Envoy Extraordinary of Haiti, (b) Monsieur Pierre Hudicourt, (c) Monsieur Auguste Magloire, Administrator in Chief of Finances at Port au Prince;

2d. The National Bank of the Republic of Haiti represented by (a) Monsieur Casenave, President of the Board of Directors; (b) Mr. R. Farnham, Vice President of the Board of Directors;

3d. The Banque de l'Union Parisienne represented by Monsieur Casenave; It has been agreed as follows:

To the end that all differences which may have existed between the parties may be settled;

ART. 1. The monetary reform provided by the contracts shall be carried out by operation of the plans or laws that have been or may be adopted by the Government and, notably, by means of the 10,000,000 francs of the 1910 loan without any objection or opposition from the Bank to the measures finally decided on to that end.

ART. 2. Consequently the Bank shall restore and hold in deposit at Port au Prince the remainder of the 10,000,000 francs inclusive of the securities shipped on December 17, 1914 and carried to New York, and also the interest on the said remainder; it will furthermore hold at the Government's disposal, by virtue of the law approving the present compromise, the sums allotted for the monetary reform (other than the remainder of the 10,000,000 francs), after deducting the \$66,910 seized in its coffers under the injunction of October 20, 1914. The Government will desist from all proceedings instituted against the Bank and cause the seals to be removed from its coffers.

ART. 3. During the whole life of the American-Haitian Convention of September 16, 1915, the Bank will be the depository of the customs receipts that the Receiver General is to collect, receive and apply, and make all payments up to the amounts collected. After the said convention expires the Bank will continue to perform the treasury service in accordance with its concession contract and the 1910 loan contract.

The Treasury service will immediately revert to the Bank for receipts other than the proceeds of customs duties.

ART. 4. By way of compensation of its services, the Bank will retain for itself, by charging the Government's account for each and every transaction a commission of 1% on moneys received and $\frac{1}{2}$ % on moneys paid at home and abroad; all expenses and losses by exchange incurred on account of transfers of money to foreign countries being borne by the State. The additional commission of $\frac{1}{2}$ % on moneys transferred to foreign countries will be discontinued until the special convention referred to in Article 17 of the con-

cession contract, for the determination of a fixed price concerning foreign remittances shall have been concluded. As regards the proceeds of public loans floated abroad only, and all extraordinary resources other than public loans floated at home, the Bank's commission shall be discontinued on moneys received and reduced to $\frac{1}{4}\%$ on moneys disbursed.

The Bank's commission bearing on the sums that the Receiver General is to collect, receive and apply, shall be included in the expenses of the Receiver General's office referred to in Article 6 of the American-Haitian Convention of September 16, 1915.

ARTICLE 5. The Bank declares its waiver of the commission it still has to collect on the remainder of the capital and interests of the ten million francs set apart for the monetary reform.

ARTICLE 6. An arrangement shall be effected between the Government and the Bank in the matter of reimbursing the sums due to or from the parties respectively and for the purpose of insuring regular payment at maturity, of the interests and commissions on the statutory advance of \$562,500. On the interests reckoned on the \$200,000 transferred to the monetary reform account in Paris at the time of the monthly payments for August and September, 1914, the Bank will allow the Government a bonus in the amount of the difference between the interests credited in the monetary reform account and the interests debited in the convention budgétaire account, and also in the amount of the commission computed on the said monthly payment.

ARTICLE 7. It is also agreed that at the time of the settlement of accounts between the parties, it shall be ascertained whether expenses were specially and necessarily incurred on account of the redemption. If so, the said expenses shall be borne by the Government.

ARTICLE 8. Upon approval of the present arrangement by the Haitian Legislative Power, the Bank shall hold at the Government's disposal 500,000 American dollars bearing $\frac{1}{2}\%$ monthly interest, which shall be reimbursed out of the proceeds of the first loan intended for the redemption of the internal and floating debts.

ARTICLE 9. The Bank will retain its privilege of issuing bank notes and may avail itself of it upon reaching an agreement with the Government as to the expediency of the issue and the denomination of the notes.

ARTICLE 10. Mr. Casenave, in the name of the Banque de l'Union Parisienne, accepts the foregoing compromise and waives its preferential right as provided by Article XXIX of the 1910 loan contract, insofar only as loans which the Haitian Government may negotiate in the United States are concerned.

Done at Washington, in triplicate, the 10th of July, 1916.

SOLON MÉNOS
PIERCE HUDICOURT
AUGUSTE MAGLOIRE
CASENAVE
R. L. FARNHAM

For the Banque de l'Union Parisienne:

CASENAVE

File No. 838.51/520

The Secretary of State to Chargé Scholle

[Extract]

No. 72

DEPARTMENT OF STATE,
Washington, August 10, 1916.

SIR: There is herewith enclosed a copy and translation of a note from the Minister of Haiti near this Government, dated June 26, 1916,^a in reply to the Department's note informing him of the appointment of the General Receiver and Deputy General Receiver of Haitian customs.

Your attention is called to that portion of the note referring to the alleged delay in the establishment of reforms in Haiti, and in the extension of financial aid by this Government.

^a Printed on p. 355, ante.

Reference to the files of your Mission and to recent correspondence, especially to Department's telegram of April 8, 1916, 6 p. m., will show that the delay on the part of the Government of Haiti in transmitting, for exchange at Washington, the instruments of ratification of the convention, and the further postponement due to the desire of that Government to limit the interpretation of the instrument by reference to the interpretative commentary of the Chamber of Deputies, necessarily deferred the exchange of such ratifications until May 3, 1916.

It also appears superfluous to observe that the officials contemplated by the treaty could not be appointed, nor their names submitted to the President of the United States for his consideration, prior to the final effectuation of this instrument.

The reasons for the delay attendant upon the final conclusion of the Gendarmerie Agreement and of the differences existing between the National Railway of Haiti and the Government of that Republic are familiar to you. You will discreetly and opportunely convey the substance of this confidential despatch to His Excellency the President of Haiti, and in an endeavor to ascertain whether it is a faithful interpretation of the position of his Government, reiterate the desire of this Government that further unnecessary delay may not characterize the conduct of subsequent negotiations.

I am [etc.]

ROBERT LANSING

File No. 838.00/1408

Chargé Scholle to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Port au Prince, September 4, 1916, 2 p. m.

Since the civil officials under the treaty have assumed office, does the Department wish all Federal civil administrations now conducted by order of the President turned over to the Haitian Government beginning October first? Arrangements have been made with the Haitian Government for the continuation of work by occupation till October first. Expeditionary commander believes it necessary to retain control of hospitals, prisons, and charities to insure proper maintenance.

On account of health of American troops, sanitation should be retained by occupation until sanitary engineer is appointed and installed.

SCHOLLE

File No. 838.602/9

Chargé Mayer to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Port au Prince, September 22, 1916, 6 p. m.

Having in mind policy of Department in reference to concessions involving exclusive privilege or preferential treatment invite attention to possibility of such concessions being granted without submis-

sion to, or approval of, financial advisers. Since doubtful that the treaty provides effective means of invalidating objectionable concessions that may be so granted recommend that Department instruct me to convey to Haitian Government the views of the Department regarding concessions and to secure acceptance of Haitian Government thereto. This is to be done by exchange of notes.

MAYER

File No. 838.00/1408

The Secretary of State to Chargé Mayer

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, September 27, 1916, 4 p. m.

Your September 4, 2 p. m. Departments of State and Navy concur in opinion that until administration of the civil positions created by treaty is satisfactorily and permanently installed and constabulary permanently equipped for efficient service, such institutions as are still inefficient should remain under control of occupation. The several officials appointed by treaty should be constantly consulted.

Sanitation should properly fall under supervision of Oberlin, pursuant to stipulations Article XIII of Treaty, unless he desires cooperation of, or control by, occupation.

LANSING

File No. 838.00/1411

Chargé Mayer to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Port au Prince, September 29, 1916, 2 p. m.

Your September 27, 4 p. m. Haitian Government thought it was to take over public works October 1. Informed Minister unofficially this morning that, according to information from the Department of State, situation relative to public works to remain *in statu quo* for the present. Minister for Foreign Affairs said that he intended to instruct Minister at Washington to ask for explanation.

Advised Oberlin substance of last paragraph your September 27, 4 p. m.

MAYER

File No. 838.63/5a

The Secretary of State to Chargé Mayer

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, September 30, 1916, 5 p. m.

Your September 22, 6 p. m. In cooperation with Ruan you may inform Haitian Government that, in view of last clause Article II of treaty, this Government believes that, in the program of economic and domestic rehabilitation, it is of the utmost importance that all

matters relative to concessions, and consequently affecting national finances and resources, be submitted to Financial Adviser for his recommendations.

LANSING

File No. 838.51/557

The Minister of Haiti to the Department of State

[Memorandum—Translation]

The Haitian Government thinks that even as provided by the Convention of September 16, 1915, the appointment, as well as the choice, of the Haitian customs employees is exclusively within the province of the President of Haiti, and its opinion is all the more warranted as it imparted it to the American Legation at Port au Prince before the convention was signed. Under the above-mentioned date the Secretary of State for Foreign Relations of Haiti, reminding the *Chargé d'Affaires ad interim* of the United States of a conference they had the day before, wrote him as follows:—

With the straightforward purpose of avoiding even now any disagreement on some important points, I brought the following to your notice:

1st. * * *

2d. * * *

3d. As regards the words "collect, receive and apply" in Article II, paragraph 1, etc. * * * the Government understands that what is established by those words is a service for collection (collect, receive) and disbursement "apply". See Article V. The Receiver General and the assistants and employees who will be appointed by the President of Haiti, on the nomination made by the President of the United States, form a Department for the collection of all customs duties, an office distinct from the customs service properly so-called which has charge of the storage, inspection and assessment of merchandise in accordance with the tariff. As a consequence, the appointment of Haitian employees of that service will be exclusively within the province of the President of Haiti who, however, in response to the views of efficacious assistance entertained by the President of the United States, will make all customs appointments in accord with the Receiver General who, for his part, will have the right to delegate in the customhouses such assistants and employees as he may see fit to select for the supervision of customs business.

The same interpretation was adopted by the Haitian Chamber which appears in the following passage of the interpretative commentary mentioned in the sanctioning decree of November 11, 1915.

The personnel of the customs is Haitian, exclusively and directly appointed by the President of Haiti. The assistants and employees "referred in Article II are the auxiliaries of the Receiver; they do not compose the customs personnel; they are delegated in the customs of the Receivership and supervise customs business. In the Receiver's office they collect, receive and apply the customs' duties. They apply them (Apply, to make payments) in the form and manner indicated and set forth in Article V of the convention."

Nothing is more rational, for what the contracting parties had in mind is cooperation, not supersedence; it is not any upsetting of the administrative and customs laws of Haiti and particularly the doing away with a legal and traditional organization for the advantage of an exceptional institution whose life is limited. It is the institution of a Receiver's office, including a Receiver General and such assistants and employees as may be deemed necessary to collect, receive and apply all customs duties, the object being not to let those revenues lie "as an incitement for ambitious revolutions to overthrow the Government."

Such an institution which rightfully could be considered as being incompatible with the former privilege of the National Bank of the Republic of Haiti could not in any way effect the Haitian customs service whose force never had to collect, receive or apply the said revenues.

That is why Article III of the Convention went no farther than to say: The Government of the Republic of Haiti will provide by law or suitable decree that "payment" of all customs duties shall be made to the Receiver General.

LEGATION OF HAITI,

Washington, October 6, 1916.

File No. 838.63/6

Minister Blanchard to the Secretary of State

No. 103

AMERICAN LEGATION,

Port au Prince, October 18, 1916.

SIR: Referring to the Legation's cable of September 22, 1916, 6 p. m., and the radiogram from the Department of State of September 30, 1916, 5 p. m., regarding the granting of concessions by the Haitian Government, I have the honor to forward herewith a copy of the communication addressed by this Legation to the Foreign Office on the subject, in compliance with instructions, under date of October 4, 1916, together with a copy and translation of the letter dated October 6, 1916, received in reply.

As you will observe, the Minister of Foreign Affairs states that the Haitian Government concurs in the opinion of the Government of the United States regarding the granting of concessions and will highly appreciate the recommendations of the Financial Adviser.

I have [etc.]

A. BAILLY BLANCHARD

[Inclosure 1]

Chargé Mayer to the Minister of Foreign Affairs

No. 27

AMERICAN LEGATION,

Port au Prince, October 4, 1916.

MR. MINISTER: Acting under instructions from my Government, I have the honor to inform your excellency's Government that, in view of the last clause of the second article of the Treaty of September 16, 1915, my Government believes that in the program of economic and domestic rehabilitation it is of the utmost importance that all matters relating to concessions and consequently affecting national finances and resources be submitted to the Financial Adviser for his recommendation.

Be pleased [etc.]

FERDINAND L. MAYER

[Inclosure 2—Translation]

DEPARTMENT OF STATE FOR FOREIGN RELATIONS,

Port au Prince, October 6, 1916.

MR. CHARGÉ D'AFFAIRES: The Government of the United States informs us through the Legation that it thinks, in conformity with Article II of the Convention,

that it is of the utmost importance that all matters relating to concessions and consequently affecting national finances and resources be submitted to the Financial Adviser for his recommendation.

I hasten, Mr. Chargé d'Affaires, to bring to your knowledge that the Haitian Government is equally of this opinion, and will highly appreciate the recommendations of the Financial Adviser.

I take advantage of the same occasion to invite the attention of your Legation to its delay in causing to be executed by the Occupation Article XIII of the Convention.

The sanitary works and all other public works should be placed under the supervision and direction of the Engineer who has been especially appointed for this purpose.

The Haitian Government, in consequence, advises you that it is ready to receive immediately, in order to place them under the supervision and direction of Mr. E. G. Oberlin, the Engineer duly qualified by the Convention, the sanitary and all other works which are still in the hands of the Occupation.

Be pleased [etc.]

LOUIS BORN

File No. 711.38/118

The Division of Latin-American Affairs to the Secretary of State

[Memorandum]

DEPARTMENT OF STATE,
DIVISION OF LATIN-AMERICAN AFFAIRS,
Washington, November 2, 1916.

CONFERENCE BETWEEN MR. POLK AND MINISTER MÉNOS, RE INTERPRETATION OF THE WORDS "COLLECT, RECEIVE AND APPLY" IN ARTICLE II OF THE HAITIAN-AMERICAN TREATY

Mr. Ménos called up the Latin-American Division by telephone on October 25, asking whether the Department had any reply to make to his memorandum presented on October 6 regarding the Haitian Government's interpretation of the meaning of the words "collect, receive and apply". He was informed that Mr. Polk would be glad to see him on Tuesday, October 31.

Mr. Ménos discussed the question of the interpretation of these words with Mr. Polk, Mr. Stabler being present. He made the statement that the day before the treaty was signed the Haitian Minister for Foreign Affairs had discussed this matter with Mr. Davis, who was then Chargé d'Affaires at Port au Prince and that the Haitian Government had stated to him and afterwards confirmed by letter their reading of Article II to mean that there would be two offices; one where the Receiver General and his assistants would form a department for the collection of customs duties and another office which would take charge of the storage, inspection and assessment of merchandise, and that the employees of this latter service would be appointed directly by the President of Haiti.

Mr. Ménos was informed by Mr. Polk that there was nothing on record to show that this interpretation was agreed upon by Mr. Davis and there was no interchange of notes which made the interpretation binding on both parties and that therefore the United States would have to construe the meaning of "collect, receive and apply" that the entire customs service was under the General Receiver.

A long discussion followed in which Mr. Ménos tried to convince Mr. Polk that the understanding which the Minister for Foreign Affairs had with Mr. Davis before the signing of the treaty, should be binding and that there would be no conflict between the two different offices and that this was what the Haitian Government had always intended by the terms of Article II.

Mr. Polk then informed Mr. Ménos that, inasmuch as there was no record of a definite agreement as to the construction of this article, the Department must rest on the interpretation that "collect, receive and apply" means collect, receive and apply.

Mr. Ménos was told, however, that a telegram would be sent Mr. Davis, asking whether he understood that a verbal agreement had been reached in this connection. Mr. Ménos made no reply other than to say that he was sorry that the Department would not agree with his views of the matter.

STABLER

File No. 711.38/107a

The Secretary of State to Secretary of Embassy Davis

[Telegram]

DEPARTMENT OF STATE,
Washington, November 2, 1916, 7 p. m.

Ménos claims that you agreed with Minister for Foreign Affairs night before signature to treaty, to Haitian Government's interpretation Article II, namely that there would be two divisions of customs service, one under Receiver General and his assistants and the other an assessment office under Haitians appointed directly by President of Haiti. No record can be found at Department of any agreement to this effect made by you.

Please cable Department your understanding of the matter.

LANSING

File No. 711.38/107

Secretary of Embassy Davis to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
London, November 3, 1916, 5 p. m.

Your November 2, 7 p. m. The statement made by Ménos is wholly without foundation. I entered into no agreement, either orally or in writing, with respect to the interpretation of Article II, or any other article of Haitian treaty. On the contrary I made a general statement to Minister of Foreign Relations, when the question of interpretation of another article arose, that every article of the treaty must stand on the ordinary meaning of the English text, and with the particular object of guarding against such contingency as has now arisen, I took occasion to make such statement to Minister of Foreign Relations in the presence of Lieutenant E. G. Oberlin.

DAVIS

File No. 838.00/1422

Minister Blanchard to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Port au Prince, November 4, 1916, 6 p. m.

That supervision of sanitation and public works under Article XIII rests with Oberlin is understood but such expression to the Haitian Government has not cleared the situation relative thereto,

as that Government demands the turnover to it of all work under the occupation. Sanitary and repair works now being done by occupation under martial law remain so for military reasons and cooperation of Oberlin therein is inadmissible. The first part of Article XIII indicates plainly that the works above mentioned have nothing to do with the sanitation and public improvement therein contemplated and they in no way interfere with the operation of the article in question.

BLANCHARD

File No. 838.15/30

The Minister of Haiti to the Secretary of State

[Translation]

LEGATION OF HAITI,

Washington, November 16, 1916.

MR. SECRETARY OF STATE: Referring to my note of July 3 last,⁴ I have the honor again to call your excellency's attention to the difficulties that are even now hampering and checking the full operation of Article XIII of the convention concluded between the Republic of Haiti and the United States of America on September 16, 1915.

My Government at first thought those difficulties would be brought to an end by the appointment and induction of the engineer provided by the above-cited article, but it was not long before it had to contend with manifest reluctance.

At any rate, it was finally understood that the works and departments that were still in the hands of the American forces in Haiti would be turned over on October 1, 1916, the beginning of the new fiscal year.

Yet nothing like it has been done as yet and it was in vain that the Secretary of State for Foreign Relations repeatedly addressed the Legation of the United States at Port au Prince to that effect, and particularly made known to it that the engineer appointed by the President of Haiti upon the nomination made by the President of the United States had formally declared to the Secretary of State for Public Works that he was ready to enter upon the full discharge of his official duties.

My Government has not ceased, since the exchange of ratifications of the convention, to look to and request its early complete observance. It confidently expects your excellency to agree with it in having Article XIII of the convention respected and fully enforced.

Be pleased [etc.]

SOLON MÉNOS

File No. 838.15/44a

The Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,

Washington, December 11, 1916, 6 p. m.

Immediately inform Haitian Government that the President of the United States has made the following nominations for appointment by the President of Haiti under the terms of Article XIII of

⁴ Not printed.

the Treaty of September 16, 1915, between the United States and Haiti: Civil Engineer Ernest R. Gayler, U. S. N., to be engineer; Surgeon Norman T. McLean, U. S. N., to be engineer in charge of sanitation.

LANSING

File No. 838.15/40b

The Secretary of State to the Minister of Haiti

DEPARTMENT OF STATE,
Washington, December 14, 1916.

SIR: With reference to your conversation at the Department this morning, in regard to the engineer officer to the Government of Haiti appointed under the terms of the treaty between the United States and Haiti, I have the honor to inform you that Civil Engineer Ernest R. Gayler, U. S. N., has been nominated by the President of the United States for appointment to this post.

I desire to advise you that Civil Engineer Gayler is not a line officer in the United States Navy but belongs to the engineering branch of the service. His detail as engineer adviser to the Government of Haiti may be considered as permanent, and it is understood that he will not be withdrawn by the Navy from this detail except in the case of some unforeseen emergency.

I therefore wish to request that you will communicate this fact to your Government at the earliest possible moment, in order that His Excellency, the President of Haiti, may appoint Civil Engineer Gayler, according to the terms of the treaty.

Accept [etc.]

ROBERT LANSING

File No. 838.15/30

The Secretary of State to the Minister of Haiti

No. 22

DEPARTMENT OF STATE,
Washington, December 22, 1916.

SIR: I have the honor to acknowledge the receipt of your note of the 16th ultimo, in which you make reference to the application of Article XIII of the Convention of September 16, 1915, between the United States and the Republic of Haiti, and in which attention is called to certain difficulties which you state your Government has experienced in regard to the operation of the said article.

You are also pleased to state that it was understood by your Government that the public works and the departments thereof, which were in the hands of the American forces in occupation, would be turned over to it on the first of October, 1916, and that this has not been done, although repeated requests have been addressed to the American Legation at Port au Prince and the engineer appointed by the terms of the treaty had reported that he was ready to enter upon the full performance of his duties.

In reply I have the honor to acquaint you with the fact that my Government can see no difficulties in the situation, inasmuch as all works are being satisfactorily carried out, and is at a loss to under-

stand the error into which the Government of Haiti has fallen in thinking that it has been agreed upon to turn over the public works to the Government of Haiti at any stated time. It is well understood by the Government of the United States that the engineer appointed according to the treaty had notified the Department of Public Works of the Republic of Haiti that he was ready to enter upon his official duties, but it was also understood by this Government that he had requested the cooperation of the occupation in these works, for the obvious reasons that he had not at hand the organization which was necessary to undertake and to carry on the work in the proper manner.

I also desire to inform you that the Government of the United States considers that its observance of the articles of the treaty has been carried out in strict accord with its interpretation thereof and feels sure that the Government of Haiti, upon a reconsideration of this matter, will clearly see that the best interests of the Republic of Haiti have been those first to be considered by the Government of the United States.

Accept [etc.]

ROBERT LANSING

CONTROVERSY BETWEEN THE NATIONAL RAILROAD COMPANY OF HAITI AND THE GOVERNMENT OF HAITI. GOOD OFFICES OF THE UNITED STATES.¹

File No. 838.77/132

The French Ambassador to the Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, May 8, 1916.

MR. SECRETARY OF STATE: The attention of the Government of the Republic has been drawn to the predicament of the French bondholders of the Railway Company of Haiti who have not cashed their coupons since August 1914 although their payment is guaranteed by the Haitian Government.

The Minister of France at Port au Prince repeatedly called upon the Haitian Government to provide, in fulfilment of its pledges, the funds required for the payment to our fellow countrymen of their overdue coupons, and the last reply of the Haitian Minister of Foreign Relations was that the Government of the United States and the Haitian Commission sent to Washington were now exchanging views over the difficulties that had sprung up between the company and the Haitian Government.

Taking for granted that a settlement of this question has been actually considered by the Haitian delegates in accord with the Federal Administration, my Government wishes me to apply to your excellency with a view to obtaining at the earliest possible date the payment of the aforesaid outstanding coupons of securities which represent a French capital amounting to about thirteen million francs.

Be pleased [etc.]

JUSSERAND

¹ Continued from For. Rel. 1915, p. 538.

File No. 838.77/132

The Secretary of State to the French Ambassador

No. 1692

DEPARTMENT OF STATE,
Washington, May 11, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of the 8th instant, in which you request that an arrangement be reached as early as possible whereby the outstanding coupons of the bonds of the National Railroad of Haiti, now held by citizens of France, may be paid.

As the Haitian Minister for Foreign Affairs has informed the representative of your Government, the Haitian Commission, now in the United States, is charged, among other duties, with the conduct of negotiations looking to the solution of the present difficulties between the railroad and the Government of Haiti, in connection with which this Department has been happy to tender its good offices in the hope that an early and mutually satisfactory settlement of the matter may be attained.

Accept [etc.]

ROBERT LANSING

File No. 838.77/137

The National Railroad Company of Haiti to the Chief of Division of Latin American Affairs

NEW YORK, May 24, 1916.

SIR: Following my letter to you of May 8.² I enclose herewith duplicate copies of a memorandum dealing in a general way with the claims which the Compagnie Nationale des Chemins de Fer d'Haiti has against the Haitian Government, and also the differences existing between the two over certain matters.

So soon as your Department and the members of the Haitian Commission are ready to discuss the various matters covered by the enclosed memorandum I will attend at Washington upon notification from you.

Yours [etc.]

COMPAGNIE NATIONALE DES CHEMINS DE FER D'HAÏTI,
R. L. FARNHAM, *President*

[Inclosure—Memorandum]

In accordance with the terms and conditions of its concession which, in final amended form, was duly ratified by the Congress of the Republic of Haiti and officially promulgated April 16, 1910, the Compagnie Nationale des Chemins de Fer d'Haiti began in April 1911 the construction of the National Railroad of Haiti. Between the date of the commencement of the construction work (April 1911) and the date of the intervention of the United States in Haitian affairs (July 1915) the railroad company has suffered great losses:—

1. Through destruction, damage and theft by revolutionary bodies and sometimes by the troops of the Government, of its property.
2. Through being compelled to make payments unlawfully exacted from it by the various Governments which have prevailed in Haiti during the above-named period and in direct contravention to the specific provisions of its concession.

3. Through considerable losses of property and of time caused by the repeated failure of the aforesaid Governments to extend upon requests made, the police assistance and protection to the workmen and property of the company, which, by the concession, the Government of Haiti pledged itself to do.

4. Through the failure of the Haitian Government to meet its obligations in respect of its guarantee of the bonds of the railroad.

5. Through default of its guarantee of interest upon the bonds of the railroad company.

Revolutionary troubles were first experienced by the railroad company in Haiti in July 1911, when a revolution headed by General Leconte made its way from the vicinity of Cape Haiti [Haitien] to Port au Prince, fighting the forces of President Simon, who was finally defeated and driven from the island in August 1911, and Leconte became president. In this revolution at Cape Haiti and vicinity; at Gonaïves and between St. Marc and Port au Prince, a large amount of the construction equipment and property of the railroad company was destroyed, damaged and stolen, both by the revolutionary forces under General Leconte and the Government forces under General Simon. All construction work was brought to a standstill for some three months but the overhead charges and payroll of engineers continued. These conditions were experienced by the railroad company to greater or less extent each time there was a revolutionary movement in the country, and the records show that in the period from April 15, 1911 to July 1, 1915,—four years and three months,—there were only eighteen months during which peace and quietness prevailed in the country and construction work could be prosecuted without interference. Within this period of five years Haiti has had seven different Governments, all of which came into power through revolution.

At the beginning of his revolutionary movement General Leconte raised the cry of "Down with the Railroad", "Down with the Americans", and he succeeded in so arousing public feeling against the railroad enterprise that for nearly three years thereafter the property of the company and all of the white employees were popular subjects of attack by the people of the country and by political speakers.

During the several revolutions which occurred between 1910 and 1915 stations of the railroad company were burned; telegraph and telephone lines torn down and many kilometers of the wire destroyed; trains were derailed; bridges burned; large quantities of railroad ties destroyed; and more than one-half of the construction plant either destroyed or carried off. The actual cost to the railroad company of the buildings, equipment, plant and other property thus destroyed or stolen aggregated over two hundred thousand dollars (\$200,000), for which no reimbursement or compensation has been made by the Government of Haiti.

The second item of loss suffered by the railroad company in Haiti during the last five years grows out of payments of tonnage taxes and customs duties enforced by various officials of the Haitian Government despite the fact that one of the conditions of the concession specifically provides that "Materials, engines, tools, all appliances and supplies necessary to the establishment, to the operation and maintenance of the railroad shall be exempted from all customs duties and taxes except those which have been appropriated to another concession."

During the first few months of the construction of the railroad in Haiti under the administration of President Simon, no demand for the payment of tonnage dues or duties upon supplies, materials, etc., brought into Haiti for the account of the railroad was made upon the railroad company. The provisions of the concession in this respect were lived up to by the Haitian officials.

A short time after General Leconte succeeded to the Presidency of Haiti, his Secretary of State for Public Works instructed the collectors of customs to refuse delivery to the railroad company of supplies, equipment etc., brought into the country in connection with and for the purpose of constructing the railroad, until the company paid tonnage dues and customs duties upon the same in accordance with the existing Haitian tariff.

The company promptly filed a protest against the collection of these taxes, calling attention to the provisions of its concession, but the Secretary of State for Public Works refused to change his instructions stating to the resident officials of the company that, while the company's contentions might be quite sound, the Government of Haiti was poor and needed the money and the railroad, being rich, could well afford to pay taxes imposed.

In order to avoid serious and expensive delays in the prosecution of the work of construction from nondelivery of the articles detained in the custom-houses by the arbitrary ruling of the Secretary of State for Public Works, the railroad company paid each time, under written protest, the amounts demanded. This procedure of paying these taxes and duties under protest has been maintained by the company practically up to the present time, although it has made frequent representations, but without avail, to the different Governments of Haiti for relief in conformity with the terms of its concession. The payment made during this period on account of tonnage dues and customs duties now amounts to over fifty-nine thousand dollars (\$59,000.00).

The third item of loss flows from the failure of the various Governments of Haiti to give the police or military protection to the property of the company as it promised in the concession to the railroad to do. Repeatedly at Cape Haiti and vicinity, and at Grand Rivière; at St. Marc and Port au Prince the representatives of the railroad company requested from the Haitian Government police protection for its property which was being destroyed in these instances by the population and not by revolutionists. The company was required by Haitian Government officials to fence its right of way, which it did with a wire fence at a cost of three hundred and fifty dollars (\$350.00) per kilometer. Despite the fact that the company bought and paid expensive prices for every foot of its right of way and was compelled by the Haitian Government to build fences on both sides of such right of way (in many places where there was not the slightest need of a fence) the right of way was used by the country people as a regular thoroughfare. To gain access to this right of way they cut the wire fences whenever and wherever it suited them; also frequently they would tear down at one time several kilometers of wire fencing taking the wire away with them to use on their places in the country. No police or military protection was given to the company in response to its many appeals for such protection to prevent the destruction and theft of its fences.

Also, during periods of comparative peace between revolutionary movements, local military chiefs would come with a number of soldiers to points where construction work was proceeding and take the laborers from the work. These visitations usually occurred on pay day and the laborers would be locked up at the headquarters of the military General for twenty-four hours; their wages taken from them, and then they would be brought back to the work under military guard. This sort of thing resulted in frequent and costly interruptions of the work because when the approach of the General and soldiers was heralded, the majority of workmen would take to the woods and remain in hiding for two or three days or longer, while those who were unfortunate enough to be caught would, when returned from detention, immediately run away, leaving the company without laborers and with an extensive force of engineers and other subordinates remaining on the ground under pay in enforced idleness. Despite repeated overtures made to the Government of Haiti at Port au Prince to have this raiding of the employees stopped and sometimes receiving promises that this would be done, nothing actually was done by the officials of the Haitian Government to put to an end this trouble. This practice of raiding the laborers continued at irregular intervals from the beginning of the Leconte revolution in July 1910 until September 1, 1913.

The fourth item arises from the following:—In April 1913 the railroad company having completed the sections of railway between Port au Prince and St. Marc (103 kilometers in length) and known officially as Sections 1, 2, 3, presented the same to the Haitian Government for acceptance. The Haitian Government refused to accept these sections and refused to place the guarantee of the Government upon the definitive bonds issued thereon amounting to upwards of two million dollars (\$2,000,000). The railroad company relying upon the prompt issuance of these bonds had entered into compromises with bankers in France for their delivery.

The refusal of the Government of Haiti to promptly place its guarantee upon these bonds caused the company to default in this compromise and placed it in such a situation that its credit was seriously impaired.

Finding it impossible to get fair treatment from the Haitian Government, appeal was made by the railroad company to the State Department of the United States, and due to the efforts of that Department the sections of railroad were accepted and the guarantee of the Haitian Government affixed to the bonds. These guaranteed bonds were not delivered to the railroad company until August 1913.

One of the conditions of this acceptance of road and delivery of bonds, as arranged by the representative of the State Department, was that the railroad company was to extend its principal track further into the city of Port au Prince, and also further into the city of St. Marc, and upon completion of such extensions, (2.23 kilometers) the Haitian Government promptly would affix its guarantee to the definitive bonds authorized upon the said extensions. The railroad completed these extensions in May, 1914, and the engineers of the Haitian Government signified their satisfaction and acceptance of the same, but the railroad company, up to the present moment has been unable to obtain from the Government the promised guarantee to the bonds covering these extensions of track which amount to forty-four thousand six hundred Dollars (\$44,600.00). These bonds bearing the guarantee of the Haitian Government, together with accrued interest thereon from May, 1914, are still owing to the railroad company, which is under agreement to deliver them to bankers in return for funds already advanced against them.

On the first day of August 1913 a coupon on the bonds already issued and guaranteed by the Haitian Government became due and payable. The Haitian Government defaulted in this payment. This default, coupled with the failure to deliver the two million dollar (\$2,000,000) of bonds already referred to, so seriously injured the company's credit that it was unable to make the necessary financial arrangements to permit it to continue construction, and the work was therefore suspended on the first day of September 1913.

This enforced suspension of construction work at this time entailed upon the company among other losses, a particular financial loss of over fifty thousand Dollars (\$50,000.00) in respect of the completion of Section 4 of the railroad line connecting St. Marc with Petit Rivière de l'Artibonite. At the time work was suspended the construction of this section had reached a point where it was practically ready to receive the rails. The price at which the company at that time could have purchased the rails, telegraph and telephone lines and other equipment for the twenty-seven kilometers of this section and the price which it now must pay for the same equipment represents a difference of over forty thousand Dollars (\$40,000.00). To this loss must be added the erosion and damage which has occurred during the period of suspension to the road bed and embankments; the cost of getting together a new organization to do the work, and the increased cost of labor, which is now double the rate then prevailing.

The losses of the company due directly to the interruptions and final stoppage of its work through failure of the Haitian Government to comply with its obligations under the concession not only represent a considerable sum in dollars, but involve also a great loss of time in construction which in great measure has contributed to prevent the completion of the railroad within the time fixed in the concession. These delays, as well as delays and suspensions of work due directly to revolutionary movements, all constitute instances of *Force Majeure* and for these delays in their aggregate the company is entitled to a commensurate extension of time.

The fifth item concerns default in the payment of interest. By Article 3 of the concession to the railroad company, the Haitian Government gives its direct obligation to pay the principal and interest on the bonds which the Government authorizes the railroad company to issue upon its principal track. It was well understood by the officials of the Haitian Government when the work of building the railroad was begun that several years at least would elapse before the business of the railroad would be such as to enable it to pay the interest on its bonds and until such time as the railroad's earnings would become sufficient, the interest and sinking fund charges on the bonds would have to be borne by the Haitian Government.

When, on August 1, 1913, the first coupon upon the bonds of the railroad company at that time issued, became due and payable the Haitian Government remitted to the Farmers' Loan and Trust Company of New York, trustee for the bondholders, the requisite amount. When the next coupon became due and payable (Feb. 1, 1914) a revolution was on in Haiti and no attention was given by those who, at that moment, were in control of the affairs of Government, to the matter, but a few weeks later the Haitian Minister of Finances, M. Lespinasse, remitted on March 25, 1914, to the Farmers' Loan and Trust Company, New York, not only the amount required to pay the coupons due February 1, but he also remitted an additional sum representing interest at the rate of six per cent (6%) per annum on the deferred payment from Feb-

ruary 1 to March 25, thus evidencing recognition by the Haitian Government of its obligation as set forth in its guarantee inscribed on the bonds, to pay promptly when the same became due and payable, the interest charges.

When the next payment became due (Aug. 1, 1914) the Haitian Treasury was practically empty and the then officials of Government raised the question of meeting the obligation by deferred payments, which proposition neither the railroad company nor the trustee for the bondholders could admit. From this date on no interest has been paid, the officials of the succeeding Governments contenting themselves with the statement that they had no money and raising various questions as to the obligation of the Haitian State to pay the interest, and finally resorting to threats of foreclosure under various pretenses that the railroad had failed to live up to the terms of its contract. These threats of foreclosure on the part of the Haitian officials were promptly brought not only to the attention of the United States Government, but to the attention of the French Government as well, in the latter instance for the reason that two million five hundred thousand dollars (\$2,500,000) of the bonds issued on the railroad are held in France by French citizens. Representations were made both by the State Department of the United States and by the Foreign Office of the French Government to the officials of Haiti warning the latter to desist in their so-called foreclosure proceedings. These diplomatic representations resulted in several postponements by the Haitian officials, of the foreclosure proceedings, and finally the entire matter was lost sight of in the acute revolutionary disturbances which were rapidly spreading throughout the country to the exclusion of everything else.

From time to time, as the interest payments have become due, the regular formal notification has been given by the railroad company, and also by the Farmers' Loan and Trust Company, trustee for the bondholders, to the officials of the Haitian Government and duplicates of these notifications filed with the French and American Legations in Port au Prince and forwarded to the Foreign Office in France. Since the February 1, 1914 coupon was paid no payments have been made by the Government of Haiti in respect of the interest due upon the three million five hundred thousand dollars (\$3,500,000) of bonds of the railroad issued and outstanding. The Haitian Government is now in arrears in respect of the following payments:—

	Amount
August 1, 1914.....	\$104,999.54
February 1, 1915.....	104,999.54
August 1, 1915.....	104,999.54
February 1, 1916.....	104,999.54
Total.....	419,998.16

plus interest at the rate of six per cent (6%) per annum on these deferred payments as established by the precedent of Secretary of State for Finances Lespinasse in making the belated remittance on March 25 above referred to. This amount of four hundred and nineteen thousand nine hundred and ninety-eight dollars and sixteen cents (\$419,998.16) with accrued interest thereon is the first obligation of the Government of Haiti.

The default of the Government of Haiti in meeting its guarantee on the bonds of the railroad company, as described above, received wide publicity both in the financial papers of the United States and of France and this has operated to prevent the railroad selling its bonds as this default in respect of the bonds of the railroad company most seriously affects the credit of Haiti and renders it impossible for the railroad company to secure funds with which to carry on further construction work.

The several matters of damages from revolutions; monetary losses; failure of police protection; default in interest, as herein above described, have heretofore been formally brought to the attention of the State Department of the United States and to the Foreign Office of the French Government, and on three occasions the Government of the United States has intervened diplomatically in Haiti on behalf of the railroad company.

When the matter of claims for damages resulting from revolutions; and from the unlawful exaction of tonnage dues and customs duties, as herein described, was formally presented to the State Department at Washington in February 1913, the Haitian Secretary of State, Mr. Léger, requested the railroad company not to press the matter at Washington, giving the company to understand that if the matter could be held in abeyance and taken up directly with the officials

of the Haitian Government, a satisfactory adjustment would promptly be arranged. To this end the railroad company gave heed and requested the State Department at Washington to withhold the presentation of the claims through the usual diplomatic channels pending direct negotiations between the railroad company and the Haitian Government. While it is believed that Mr. Léger, the Secretary of State of Haiti, made his overtures to the railroad company in good faith (he resigned from the Cabinet shortly after) the several conferences between the officials of the railroad and the officials of the Haitian Government which followed his suggestion bore no results.

In discussions between officials of the railroad company and of the Haitian Government concerning Haiti's default on the railroad bonds some of the Government officials stated in substance that there was no question that Haiti was directly obligated for this interest, but that payment was being withheld in order to force the railroad company to agree to a change of route and a shortening of the line of the railroad; that some Haitians were of the opinion that the line as laid out in the concession was too long; did not serve the best interests of the Haitian people, and imposed an unnecessarily large burden upon the Haitian Treasury through the guarantee of bonds on such a long line.

While these observations were taken by the representatives of the railroad company merely as an excuse for the nonpayment of overdue interest on the bonds, they were nevertheless a repetition of what previously had been suggested to some of the officials of the railroad company by President Auguste and by President Oreste. Both Presidents, during their tenure of office, discussed with officials of the railroad company the advisability of modifying the present concession with a view of materially changing and shortening the length of the route. They made suggestions as to where they thought the road should run to best serve the Haitian people and the officials of the railroad company not only gave responsive attention to these suggestions but caused the engineers of the company to make preliminary surveys of the alternate routes suggested by President Auguste and later by President Oreste.

The officials of the company since then have been ready to discuss with the Haitian Government this question of modification of the concession and change of route, but conditions in Haiti since the time of President Oreste have been such as to make impossible any such conference.

The railroad company is not unwilling now to take up this subject with the officials or authorized representatives of the Haitian Government so soon as an adjustment of the four or five other matters dealt with in this memorandum has been reached.

File No. 838.77/137

The Chief of Division of Latin-American Affairs to the Minister of Haiti

DEPARTMENT OF STATE,
Washington, June 15, 1916.

MY DEAR MR. MINISTER: It gives me pleasure to transmit herewith a copy of a memorandum prepared by the National Railroad of Haiti, regarding the differences that have arisen between that company and the Government of Haiti and other matters, which, in accordance with our informal agreement, has been recently submitted to the Department by the railroad company for transmission to the Commission of which your excellency is the honored chairman. A translation in French accompanies the copy, the preparation of which is responsible for the delay in the submission of this document for your consideration.

At such time as your excellency may be prepared to give a reply to the points advanced therein, the Department of State will be happy to charge itself with its transmission to the National Rail-

way of Haiti, after which it is hoped that arrangements may be made for an informal conference on the subject at which, as in the past, this Department will be glad to tender its good offices.

I am [etc.]

J. BUTLER WRIGHT

File No. 838.77/134a

The Acting Secretary of State to Minister Blanchard

[Telegram]

DEPARTMENT OF STATE,
Washington, July 11, 1916, 4 p. m.

Although the National Railroad has submitted its argument some time ago, Minister states he awaits detailed instructions. Please endeavor to expedite.

POLK

File No. 838.77/135

Minister Blanchard to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Port au Prince, July 12, 1916, 2 p. m.

Your July 11, 4 p. m. Minister of Foreign Affairs states information, not instructions, with reference to National Railroad asked for by Minister Ménos is being prepared by Department of Public Works and will be forwarded at the earliest possible moment.

BLANCHARD

File No. 838.77/136

The Secretary of State to Chargé Scholle

[Telegram]

DEPARTMENT OF STATE,
Washington, August 31, 1916, 1 p. m.

Request that Government of Haiti instruct Ménos to present immediately Haitian Government's statement in regard to National Railway Company, so that conferences may be held next week. Now that gendarmerie protocol is signed Department considers it advisable to bring to completion as soon as possible all outstanding questions.

LANSING

File No. 838.77/141

The Minister of Haiti to the Chief of Division of Latin-American Affairs

[Translation]

LEGATION OF HAITI,
Washington, September 6, 1916.

DEAR SIR: Upon examining the voluminous papers which my Government has sent me for the settlement of the difficulties relative to the National Railroad Company of Haiti, I noted that, according to a letter sent by the Secretary of Foreign Affairs to the United States

Minister at Port au Prince on January 21, 1915,³ my Government had decided to postpone until February 20, 1915, the auctioning proceedings begun by virtue of the default of which notice was given on September 28, 1914, in order to give said company time to present the bases of an agreement to be reached between the parties, but that it was understood that

upon the expiration of the period ending February 20, 1915, without the bases of such agreement (which was to comprise all pending questions without distinction) being stipulated between the Haitian Government and the National Railroad Company, the simple execution of the concession contract would be proceeded with as regards the putting up at auction, as would also any actions which the Haitian Government might be entitled to begin as a result of the violation of the contract by the National Company.

I should have liked to know whether said company established then or afterwards the bases of this agreement or whether it failed to note this condition of the postponement. Inasmuch as the papers sent by my Government do not enlighten me on this subject, I should be very much obliged to you if you would kindly ask the Haitian Railroad Company for information on my behalf.

Please accept [etc.]

SOLON MÉNOS

File No. 838.77/140

The National Railroad Company of Haiti to the Chief of Division of Latin-American Affairs

NEW YORK, September 8, 1916.

DEAR SIR: In accordance with the understanding had during my interview with you on the 6th instant, I enclose herewith to you copies of certain documents relating to the proceedings begun by the Haitian Government on September 9, 1914, and continued during the remaining months of said year, with the intention of foreclosing the concession issued by the Haitian Government for the construction of the National Railroad Company [sic] of Haiti. You probably will find in the files of your Department correspondence and cables exchanged at the time above mentioned between the State Department and various Haitian officials in respect of this subject. The dates on the enclosed copies of such correspondence and cables as I have, will perhaps enable you to more easily locate in your own files such papers as will complete the record.

In connection with the steps taken by the Haitian Government to foreclose the concession for the railroad, which action, however, as you will see upon examination of the records, never was consummated, I would like to call to your attention the following:

The construction of the railroad was begun on April 15, 1911. In the entire time between this date and that of the American intervention in Haiti (July 1915) namely, four years and three months, the periods during which there was no revolutionary movement prevailing aggregate one year and eleven months. Always while a revolution was on, the work of construction of the railroad was more or less interfered with and oftentimes entire suspension was necessary. These conditions ultimately became so continuous and severe that all construction work was finally stopped in September, 1913.

³ For. Rel. 1915, p. 548.

This record is important in view of the contention of the Haitian Government in its proceedings to foreclose, that the railroad failed to complete and deliver an average of five sections of railroad per annum.

When the proceedings to foreclose were begun in September, 1914, a serious revolution existed in Haiti against President Oreste Zamor, which resulted in his overthrow on October 29, 1914, and the succession to the Presidency of Davilmar Theodore November 6, 1914. I think I am correct in saying that Theodore never was recognized by this Government as the President of Haiti as his succession was due directly to the revolutionary overthrow of President Zamor. Moreover, acute revolutionary conditions continued to prevail in Haiti during Theodore's control of Government affairs, which only lasted three months and sixteen days, when he was forced out by Vilbrun Guillaume who also failed to receive recognition from this Government. The directors and officials of the railroad company did not consider that anything useful or final could result from any negotiations with the officials of an unrecognized Government, and so confined their responses to the foreclosure proceedings to those they made through the good offices of the State Department.

At all times from the commencement of the work of construction of the National Railroad of Haiti, in April 1911, the management of the railroad company made every possible effort in the face of most discouraging labor and acute revolutionary conditions, to pursue as rapidly as possible the construction work, and ceased only when conditions became such that it was practically impossible to longer retain on the work the American engineers and other necessary skilled supervisors.

Permit me to direct your special attention to a cablegram sent by Secretary Bryan under date of September 23, 1914,⁴ to the American Legation at Port au Prince, and particularly to the last half of said cablegram. This cablegram I presume you have in your files. You will also note in the copy I enclose of a telegram under date of October 16, 1914, to me from the Acting Secretary of State, that the Haitian Government speaks of "proposal for readjustment of contract and shortening of route."⁵ You will recall that I informed you that we had advised that these two things constitute the chief desire of the Haitian Government in respect to the railroad affair.

Referring to the memorandum enclosed herewith of a telephone message to me from Mr. Bingham, under date of January 16, 1915, the cablegrams referred to therein I presume are in your files.⁶

From these telegrams and cablegrams you will see that, while the Haitian Government initiated on September 9, 1914, the foreclosure proceedings, the said foreclosure never was consummated, but on the contrary several extensions of time were granted and before the expiration of the last extension noted (January 20, 1915) revolutionary conditions became so bad and Cabinet members and other high officials were changing so rapidly, it would appear that the matter of the railroad foreclosure was entirely lost sight of. Certain it is that no further communication of any sort has been re-

⁴ For. Rel. 1915, p. 538

⁵ Not printed. See despatch No. 12 from Haiti, dated Oct. 16, 1914. For. Rel. 1915, p. 543.

⁶ Not printed. See For. Rel. 1915, under this subject, pp. 538-549.

ceived by the railroad company from any official of the Haitian Government in respect of this matter.

I trust that the enclosed data will be sufficient for your purpose for the time being.

Yours very truly,

R. L. FARNHAM

File No. 838.77/141

The Secretary of State to the Minister of Haiti

DEPARTMENT OF STATE,

Washington, September 13, 1916.

MY DEAR MR. MINISTER: In reply to your letter dated September 6, and addressed to Mr. Stabler, Acting Chief of the Division of Latin-American Affairs, in connection with certain information which you desire to receive from the National Railroad Company of Haiti, I have the honor to inform you that this matter was brought to the notice of the Railroad Company, and its reply thereto is as follows:

The construction of the railroad was begun on April 15, 1911. In the entire time between this date and that of the American intervention in Haiti (July 1915) namely,—four years and three months,—the periods during which there was no revolutionary movement prevailing aggregate one year and eleven months. Always while a revolution was on, the work of construction of the railroad was more or less interfered with and often times entire suspension was necessary. These conditions ultimately became so continuous and severe that all construction work was finally stopped in September, 1913. This record is important in view of the contention of the Haitian Government in its proceedings to foreclose, that the railroad failed to complete and deliver an average of five sections of railroad per annum.

When the proceedings to foreclose were begun in September, 1914, a serious revolution existed in Haiti against President Oreste Zamor, which resulted in his overthrow on October 29, 1914, and the succession to the Presidency of Davilmar Theodore November 6, 1914, who was not recognized by the Government of the United States, as his succession was due directly to the revolutionary overthrow of President Zamor. Moreover acute revolutionary conditions continued to prevail in Haiti during Theodore's control of Government affairs, which only lasted three months and sixteen days, when he was forced out by Vilbrun Guillaume who also failed to receive recognition from this Government. The directors and officials of the railroad company did not consider that anything useful or final could result from negotiations with the officials of an unrecognized Government, and so confined their response to the foreclosure proceedings to those they made through the good offices of the State Department.

At all times from the commencement of the work of construction of the National Railroad of Haiti, in April, 1911, the management of the railroad company made every possible effort in the face of most discouraging labor and acute revolutionary conditions, to pursue as rapidly as possible the construction work, and ceased only when conditions became such that it was practically impossible to longer retain on the work the American engineers and other necessary skilled supervisors.

The said foreclosure never was consummated, but on the contrary several extensions of time were granted and before the expiration of the last extension noted (January 20, 1915) revolutionary conditions became so bad and Cabinet members and other high officials were changing so rapidly, it would appear that the matter of the railroad foreclosure was entirely lost sight of. Certain it is that no further communication of any sort has been received by the railroad company from any official of the Haitian Government in respect of this matter.

I beg to remain [etc.]

ROBERT LANSING

File No. 838.77-143

The Minister of Haiti to the Chief of Division of Latin-American Affairs

LEGATION OF HAITI,
Washington, September 21, 1916.

SIR: I have the honor to transmit herewith two copies of the reply of the Haitian Government to the memorandum of the National Railroad Company of Haiti which you sent to me June 15th last.

Be kind enough to keep one copy for the Department of State and transmit the other to the representative of the company at New York.

Accept [etc.]

SOLON MÉNOS

[Inclosure—Translation]

The grievances alleged against the Haitian Government are above all made to order, and the company itself does not attach any but incidental importance to them, for it is only when it finds itself at fault and tries to evade impending or deserved forfeiture that it brings them to light and exerts its ingenuity in dressing them up to a certain extent. But they nevertheless remain hollow as will easily be seen from the following remark:

1. The company alleges that between July and August, 1911, its property and in particular much of its building material was destroyed, damaged or stolen by the revolutionary or even the Government forces at Cape Haitien and thereabouts, at Gonaives and between St. Marc and Port au Prince. There can be no doubt that if at that time it had suffered injury which it did not itself consider trifling it should not have failed to cause verifying statements to be drawn up with or without the proper authorities' participation and to call for a regular investigation with a view to one of these convenient claims which so often bring wealth at the expense of the Republic of Haiti. Far from taking that course, it promptly put forth, in August, 1911, the delays that had hindered its work on account of the political events that had lasted but one month, and asked for four months' extension of time which the Haitian Government promptly granted, "in evidence of its great concern in works that are acknowledged as public utilities". (Let it be noted that it is the President of that very Government who is charged by the company with having shouted a few weeks earlier "Down with the railroad! Down with the Americans!" Let it also be noted that to serve present circumstances, that last has taken the place of "Down with McDonald" which appears in a letter addressed by the counsel of the company to the Department of Public Works, October 12, 1914.)

What is more, the company had hardly begun building the Cape-Grande Rivière section and there were but a few rails dumped here and there along the right of way. No depot or station in course of construction; not even any ties on which to lay the rails, for it did not import, by special favor of the Haitian Government, fifty thousand ties from the United States until later. So it is difficult to see what makes up these losses which in October, 1914, were set at \$66,028.65, and are now said to exceed \$200,000.

The company is in error when it says that, during the period from April 15, 1911, to April 1, 1915, there were only eighteen months during which the work of construction could be prosecuted without hindrance. As a matter of fact it is known, firstly, that the revolutionary disturbances of July, 1911, did not last *one month*, and secondly, that there was no revolution in Haiti in 1912 or 1913.

On the contrary, during the period from April 5, 1911, to April 20, 1912, the company benefited by three extensions amounting altogether to eleven months, without counting the period for the completion of the sections accepted and turned over to traffic.

II. Article XII of the specifications appended to the contract for the railroad from the Cape to Port au Prince exempts from

all customs duties and taxes, except those which have been assigned to another concession, the materials, machinery, tools, and all apparatus and supplies necessary for the establishment, operation, and up-keep of the *railroad*.

This exception, constituting a privilege, that is, a derogation from common law, ought, like all other exceptional provisions, to be interpreted strictly and not beyond its terms.

It follows that the supplies referred to in said article can only be understood as meaning those without which the railroad could not be established, operated, or kept up, and it is evident that they cannot include the feeding, clothing, and in a word, the maintenance of the agents and employees of the company, any more than the forage for the mules and horses of the company or of its agents and employees.

The truth is that every time the company applied to the Department of Public Works to obtain the exemption provided for in Article XII, everything necessary was always done in order to afford it satisfaction, and that no part of the company's equipment was subjected to the customs duties. However, when the company wished to abuse its privilege by claiming that the exemption from duties extended to everything it might be pleased to import, it was the duty of the Haitian Government to oppose this. Thus it had to refuse exemption for victuals, such as ham, sausage, cheese, and other preserved food, which can not be classed as railroad equipment. Any other stand would have been against the interests of the public treasury and would, moreover, have raised righteous protests on the part of merchants importing these articles.

Besides, it must be added that since the company was invited, on June 21, 1912, by the Department of Public Works to amicably draw up a list of the articles which might enjoy customs exemption, there was no further demand for the exemption of victuals, and it was not until October, 1914, that the company, having incurred a forfeiture, deemed it opportune to lay claim in this respect.

On the other hand, as far as tonnage dues are concerned, Article XII cannot be seriously invoked by the company, since it is a question there only of a tax on navigation, these duties not being collected on merchandise, but affecting the body of the vessels engaged in foreign trade. If the company has had to pay at New York, or in some other foreign port, for the transportation of its material to Haiti, sums in which the amount of tonnage dues which the vessel must pay was taken into account, this is not the business of the Haitian Government, which cannot be responsible for the conditions of the tariff of navigation lines.

III. The Haitian Government has always afforded the most ample protection to the company, and every time it complained on just grounds of any occurrence, active steps were taken to give it full satisfaction. It has never failed to remind the military authorities of the importance which it attached to the construction of the railroad and to the necessity of safeguarding the work as well as the laborers. It did not even hesitate to recall one of the most devoted Lieutenants of President Leconte, on the mere representations of the vice president of the company. Furthermore, it exempted the company's workmen and other Haitian employees from military service, asking the company to give them a special uniform or to provide them with an identification card which would make them recognizable by the police or by any other officer of the law.

And then, it is appropriate to observe again that these charges by the company concerning the molestation of its workmen and the breaking of its wire fences are not supported by any verifying documents, affidavit or evidence. They are not any more substantial than its allegation regarding attacks claimed to have been made on its white employees "by the inhabitants of the country and by political speakers"; whereas it is a notorious fact that the construction of the railroad was very well received by all those who hoped to find therein either employment or a convenient means of personal travel or of transportation for their commodities and the goods bought by them, that is to say, by all of the inhabitants of the regions concerned, and that the Haitian Government encouraged and favored it in every way, even in the case of interruption in the telegraph service through the fault

of the employees of the company, or in case of obstruction of the public highways, disorders in the workyards, wounding and murders, etc.

IV. In order to form a proper idea of the grievance which the company bases on the delay of the Haitian Government in fulfilling its engagements, it is necessary to take the following into consideration:

The law of August 10, 1905, sanctions the concession to the company of the construction and operation of a line from Les Gonaïves to Hinche. In July, 1906, the first section of twenty kilometers, although not completed and imperfectly equipped, according to the report of the engineers of the Department of Public Works, was accepted, on the promise of the company to perform thereon, within four months, additional work as determined by an agreement of August 1, 1906.

On September 16, 1906, a new concession was sanctioned to the company for a line from the Cape to Port Au Prince. On October 22, 1907, a report of a special commission stated that the Convention of August 1, 1906, had not been carried out by the company and that

the operation of this section of twenty kilometers does not amount to anything serious, inasmuch as the equipment provided by the law or required by the needs of such an industry, in order to render the operation regular, exists only in part.

It is useless to add that the said additional work was never completed. Nevertheless the company obtained in 1910 a contract modifying its first concessions and involving notably an increase in the cost per kilometer of from \$15,000 to \$20,000, while at the same time, the line of the railroad which, according to the old plan, was to penetrate into the interior of the country toward the high plateaux, crossing a belt of mountains, was increased by over fifty kilometers, in order to permit the construction in flat country of a coast line of 105 kilometers, without any result other than to increase the burdens of the Republic of Haiti. Besides, the \$300,000 worth of bonds which had been issued since August, 1906, after the receipt of the first twenty kilometers, were exchanged for \$400,000 worth of new bonds, on which the Haitian Nation assumes an interest guarantee of 6 per cent per annum, independently of a

guarantee of the semi-annual payment of one-half per cent, starting with January 1, 1916, on the total amount of the bonds for the creation by this company of a sinking fund for the complete redemption of the said bonds.

On its part the company was to pay, under penalty of the forfeiture of the Cape-Grande Rivière line, the sum of \$80,000, to the Nation on account of the old stockholders, four months after the promulgation of the law sanctioning the convention of April 16, 1910. This promulgation having taken place on August 5, 1910, the failure to pay the said sum involved the forfeiture as early as December 5, 1910. However, in March, 1911, the Haitian Government relieved the company of this obligation by granting it an extension of four months, beginning April 5, 1911 (that is, in reality, for eight months), in order to pay this amount and to begin the quarterly payments on the sum of \$75,000 likewise fixed by Article VIII of this agreement.

Similarly, the company was to resume, under penalty of forfeiture, the work of construction within two months after the promulgation of the aforesaid sanctioning law, and this forfeiture was incurred by October 5, 1910. However, the Government preferred to shut its eyes.

The company was furthermore under obligation, under penalty of forfeiture, and within the first year and after the said promulgation, to turn over to traffic at least one section and, every twelve months following, an average of five sections. The first section ought, therefore, to have been "entirely completed and equipped" and turned over to traffic by the 5th of August, 1911, at the latest. But this time, too, the Haitian Government came to the rescue of the company by extending the date of forfeiture first to December 5, 1911, afterward to April 5, 1912, and finally to July 5, 1912. And it was not even until September 27, 1912, that the first section—Cape to Grande Rivière—could be accepted and placed in operation, not fully completed and equipped, as prescribed in Article 5, of the contract, but upon the obligation being assumed by the company to execute certain work of completion recognized as immediately necessary, etc., etc.

Then, in January, 1913, the Gonaïves-Emery section, which was presented as being completed, gave rise to objections on the part of the engineers charged with passing upon it, for they point out the urgent necessity of certain addi-

tional work. The company replied to the Secretary of Public Works that it would comply with certain of his demands

on condition that the Haitian Government immediately and unreservedly accept the section as constructed, that the bonds relating thereto be delivered to it, duly signed, and that the notices be given by the Department of Finance to the National Bank of the Republic of Haiti for the payment of the guaranteed interest.

And the said section was accepted on January 23, 1913.

On March 24, 1913 the sections from Port au Prince to Arcadisse, Arcadisse to Montrouis, and Montrouis to St. Marc were offered but a report of Engineer Doret revealed the fact that these three sections were not completed. It was then that the company, although it had agreed not to resort in any case or for any reason to diplomatic means, appealed to the Department of State, but the high official who came to the spot had no trouble in recognizing the defective and even ridiculous condition of the work and it was through him that an arrangement was reached which enabled the three sections to be accepted on July 19, 1913, and consequently the guarantee to be placed on the bonds relating thereto.

And it is after all these delays and all the leniencies which it has so often enjoyed that the company (in which are interested the National City Bank of New York, the National City Company of New York, W. R. Grace & Company, of New York, etc., etc.) reproaches the Haitian Government with not having viséed the bonds promptly enough, and with having thereby placed it in such a position that its credit has been seriously affected:

It moreover tries to confuse dates in order to convey the idea that it was on August 1, 1913, that an interest coupon of the bonds already issued and guaranteed was not paid and that

this failure, together with the failure to deliver the other two million dollars' worth of bonds, caused such injury to the Company's credit that the latter has not been able to make the necessary financial arrangements to enable it to continue the construction, for which reason the work was suspended on September 1, 1913.

The truth is that the bonds in question were delivered to it in August, 1913, while the interest coupon referred to was supposed to be due August 1, 1914, and that consequently an obviously false assertion cannot explain the suspension of the work. It is furthermore true that the company was under obligation to deliver, on September 27, 1914, at the latest, five new sections, and that the payment of \$104,999.54 of interest on August 1, 1914, to third parties holding the bonds would not have enabled it, with or without credit, to construct and turn over to traffic one hundred kilometers of railroad in less than eight weeks. The incontestable fact is that, recognizing its inability to perform the obligations devolving upon it and particularly Article II of the contract of April 16, 1910, and being no longer able to avoid the forfeiture from which the benevolence of the Haitian Government had until then so frequently saved it, it wished to "put up a bluff" by taking the start and declaring the construction and operation of the railroad stopped, although it could really not have believed itself warranted in going to such an extreme by any clause of the contract or any provision of the law.

V. The obligation of the Haitian Government with respect to the interest to be paid to the bondholders of the company is not a direct and principal obligation, but guaranteeing obligation and consequently an accessory and subsidiary obligation, and this is why Article III of the concession contract provides, in case of insufficiency of the receipts, to pay all the interest, that the Nation shall pay only such proportion as may be necessary to make up the difference.

It goes without saying that, in conformity with Article V, of the contract of September 12, 1906, the deficits will be settled during the course of the following fiscal (budgetary) year. Only in case of need are they to be settled every six months, instead of being settled by twelfths. If the text invoked by the company says that the balance due from the Nation is to be paid every six months, this is a manifest proof that this balance is not to be paid immediately.

VI. The company, in a note reproduced by a letter of the Secretary of State under date of September 13, 1916, seeks once more to convey a wrong impression by recalling the fact that a period of four years and three months elapsed between April 15, 1911, and the date of the intervention of the United States in Haiti (July, 1915). There is no objection to be made against this mathematical demonstration, but that is not the question. What we must remember from its statement is that, having begun the work of construction on the railroad April 15, 1911, it stopped the same in September, 1913, by reason of continual revolutionary disturbances. It is nevertheless an incontestable fact

that during that period of time—two years and five months—the only revolutionary upheavals were from July to August, 1911 (less than four weeks), and that the company obtained in compensation a period extension of four months and the permission to import 50,000 ties, contrary to the formal provision of Art. VI of the specifications.

Consequently, the pretext invoked by the company is purely imaginary. It is inadmissible, on the other hand, that it should have decided to stop the work in anticipation of what might happen in 1914 and 1915.

Furthermore, even if it had been confronted by uncontrollable accidents or the nonfulfillment of an obligation on the part of the Haitian Government, it would not have been warranted either in abstaining from notifying the Department of Public Works, within the sixty days fixed by Article VII of the contract of 1910, of the exceptional circumstances apt to justify a further period extension, or in deciding on its own authority to relieve itself of all its engagements.

To sum up, the company has permanently forfeited its rights. The procedure consequent upon forfeiture was rightly prosecuted against it and may be resumed any day, in the absence of the bases of an understanding which the company had promised to present within a stipulated period.

File No. 838.77-143

The Chief of Division of Latin-American Affairs to Mr. R. L. Farnham

DEPARTMENT OF STATE,
Washington, September 28, 1916.

DEAR MR. FARNHAM: Pursuant to our conversation of yesterday, I take pleasure in transmitting herewith a copy of the French text of the reply of the Minister of Haiti to the memorandum of the National Railway Company of Haiti, regarding the differences now obtaining between the Government and the railroad, together with a copy of the translation thereof.¹

As I have already informed you, we shall, upon receipt of advice from you, be happy to arrange with Minister Ménos a date mutually satisfactory for the first oral discussion of the points at issue, during which the Department will, of course, be happy to lend its good offices.

Very sincerely [etc.]

J. BUTLER WRIGHT

File No. 838.77/152

The National Railroad Company of Haiti to the Secretary of State

[Extract]

NEW YORK, December 14, 1916.

SIR: Through the good offices of your Department proffered for the purpose of rendering such friendly assistance as properly it might in the adjudication of various questions and claims existing between the Government of Haiti and the National Railroad Company of Haiti, several meetings have been held in Washington between the Haitian Minister representing his Government and representatives

¹ Printed ante, inclosure to note from the Minister of Haiti, dated September 21, 1916, p. 379.

of the National Railroad Company of Haiti, and at which a representative of the State Department has always been present.

Meantime the management of the National Railroad Company of Haiti is being insistently pressed by officials of the French Government to promptly effect an adjustment of the questions at issue between the Government of Haiti and the railroad company, either by the method attempted or by arbitration, or accept the alternative of foreclosure of the railroad property by the bondholders.

Of the \$3,500,000 of bonds of the railroad company outstanding, \$2,500,000 were sold in France. Five semi-annual interest payments on these bonds are in default and sometime ago a majority of the French holders of these bonds appealed to their Government to take steps to bring about the payment of the interest in default, and their interests were placed in the hands of the Office National des Valeurs Mobilières, Paris. In July last the Director in Chief of the Office National des Valeurs Mobilières came to this country especially in the interests of these bondholders, and in an extended conference (at which a representative of the railroad company was present) with the then Chief of the Latin-American Bureau, Mr. Wright, who at that time had immediate charge of Haitian affairs, stated that unless a very prompt settlement in respect of the railroad was arrived at, his bureau would institute foreclosure proceedings on behalf of the French holders of the bonds. After having the situation explained, the French official, on the understanding that efforts would be made to reach an early settlement of the questions, agreed to defer taking immediate steps to foreclose the mortgage and so, for the time being, the threatened action was avoided.

The railroad company is now advised by the representative of the Office National des Valeurs Mobilières that as nearly six months have elapsed and no progress toward settlement appears to have been made, his bureau will feel under the necessity of commencing foreclosure proceedings the first of the year should no definite result in respect of the questions at issue be reached by that time.

In view of all the foregoing, the undersigned feels compelled to earnestly request the further assistance of your good offices to the end of arranging for an arbitration of the questions which the company has vainly endeavored to adjust with the Minister of Haiti. The company assumes that your Department already has been informed, but it is proper to tell you that respecting settlement by arbitration of the several differences, the French official stated that in such event they would demand that an arbitrator representing French interests sit with whoever was appointed to represent the interests of the railroad company. In discussing arbitration with the Minister of Haiti, the latter favored such means as calculated to more quickly bring about a settlement of the pending matters, and stated that his Government would, of course, name someone to represent it in such arbitration.

If not contrary to the policy of your Department and otherwise properly you can do so, the undersigned respectfully requests your consideration of the situation and the designation by you of an arbitrator to represent the interests of the undersigned, either singly or as a member of a board of arbitration, before whom all matters

at issue between the Haitian Government and the railroad company shall be laid, and whose decision the undersigned hereby undertakes to accept as final and binding.

We are [etc.]

NATIONAL RAILROAD COMPANY OF HAITI
R. L. FARNHAM, *President*

EXCHANGE OF NOTES BETWEEN THE UNITED STATES AND
FRANCE CONCERNING FRENCH INTERESTS IN HAITI

File No. 711.38/47

The French Ambassador to the Secretary of State

FRENCH EMBASSY,
Washington, October 27, 1915.

MR. SECRETARY OF STATE: AS I had the honor to tell your excellency again at recent interviews, my Government does not wish to interfere in any way with the action taken by the American Government in Haiti to the end of securing the maintenance of order in that country for the good of the inhabitants themselves. It wishes however, in accordance with views that your excellency, like your predecessor, readily acknowledged to be legitimate, to safeguard for the present and future the French interests involved in a land that was formerly French and to do so notably through the observance of economic equality and the maintenance of the institutions and clergy of our nationality.

An exchange of notes on the subject has been considered by us and my Government, as I have orally intimated to your excellency, would like to have that done at the earliest possible date. The points to be contemplated therein are enumerated in the paper I have had the honor to hand you in person, as to which you were pleased after reading it to say that there was no difficulty to apprehend.

As soon as an agreement can be recorded in that respect, my Government proposes to recognize the new Haitian Government, to receive from it the reparation due for the violation of our Legation and to remove the sailors now guarding it to our cruiser which would at the same time leave Haitian waters.

Accept [etc.]

JUSSERAND

File No. 711.38/47

The Secretary of State to the French Ambassador

DEPARTMENT OF STATE,
Washington, November 16, 1915.

EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of October 27, in regard to the safeguarding of French interests in the Republic of Haiti, which was formerly a French possession.

In reply I have the honor to state that, if the exchange of ratifications of the treaty between the United States and the Republic of Haiti, now pending before the Haitian Legislature, should take place, this Government will, in accordance with your excellency's suggestion, agree by an exchange of notes to the following policy as to French interests in Haiti:

Respect for the contracts existing between the Government of Haiti and the Banque Nationale.

Nothing will be neglected to insure treatment for French citizens equal to that accorded to Americans.

In advising with the Haitian Government, consideration, in the most amicable spirit, or requests for such modifications of present customs duties as may in the circumstances be regarded legitimate.

Nothing will be neglected to reach a settlement as soon as possible, by either amicable or arbitral procedure, of all pending pecuniary foreign claims, including those based on facts anterior in date to the putting into effect of the pending treaty.

No opposition to French as the official language, or to the use of French in the schools of the country.

Respect for the present ecclesiastical organization.

I have duly noted the statement that your excellency's Government proposes, upon the completion of the exchange of notes contemplated herein, to recognize the new Government of Haiti, to receive from it reparation for the violation of the French Legation, to remove the sailors now guarding the Legation and to withdraw the French cruiser from Haitian waters.

Accept [etc.]

ROBERT LANSING

File No. 711.38/92

The French Ambassador to the Acting Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, July 28, 1916.

By its letter of November 16 last the Department of State was so good as to let me know what rules would be observed in Haiti in regard to French interests after ratification of the treaty concluded by the American Government with that Republic and after the ratifications are exchanged.

This exchange having been effected some time ago, I have the honor to propose to your excellency that we put on record, as agreed, that the understanding as set forth in the above-mentioned letter is henceforth vested with finality.

Furthermore, my Government, without awaiting that final confirmation, as the Department of State has probably been informed, had proceeded, upon hearing of the understanding arrived at, to recognize the Haitian Government and take other measures contemplated in my letter of October 27, last.

Accept [etc.]

JUSSERAND.

File No 711 33 '92

The Secretary of State to the French Ambassador

No. 1739

DEPARTMENT OF STATE,
Washington. August 11, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of July 28 last, in which, referring to previous correspondence and particularly to the note which I had the pleasure of addressing you on November 16, 1915, relative to the safeguarding of French interests in the Republic of Haiti, you request that, pursuant to the agreement mentioned therein, and as the ratifications of the treaty between this Government and the Republic of Haiti have been exchanged, there be placed on record by this Government a final expression of the understanding reached with reference thereto.

I am therefore happy to express as follows the understanding of my Government with relation to the points, in the order that they appear in my aforesaid note to your excellency of November 16, 1915:

1. Respect for the contracts existing between the Government of Haiti and the Banque Nationale has, I am happy to say, found expression in the good offices which the Department of State has been privileged to extend in the adjustment of the differences existing between the parties to the contracts and which resulted in the execution of an agreement mutually satisfactory to both parties, the receipt of a copy of which was acknowledged in an identic note, a copy of the text of which I have the honor to enclose herewith.

2. The desire of this Government to neglect nothing that will insure for French citizens treatment in Haiti equal to that accorded to Americans is as cordial as at the time when I first had the honor to express the sentiment.

3. The Financial Adviser to the Republic of Haiti, appointed pursuant to the terms of the relevant article of the Convention of September 16, 1915, has been directed, in the performance of his duties, to afford due consideration in his advisory capacity of such requests for the modification of present customs duties as may by him be regarded legitimate.

4. As your excellency is doubtless aware, Article XII of the aforementioned convention reads:

The Haitian Government agrees to execute with the United States a protocol for the settlement, by arbitration or otherwise, of all pending pecuniary claims of foreign corporations, companies, citizens, or subjects against Haiti.

In addition thereto and in order to comply in full with the spirit of the fourth point to which I now have reference, the Financial Adviser has also been directed to take under consideration all facts bearing upon pending pecuniary claims of whatever nature which may upon examination appear equitable in order that proper and opportune recommendations and representations may be made to accord with the relevant provisions of the convention.

5. I am happy to reiterate that no obstacle will be opposed by my Government to the use of French as the official language of Haiti or to its use in the schools of that country, and

6. That the present ecclesiastical organization in Haiti will continue to command respect.

I trust that the above exposition of the matters under consideration will prove as satisfactory to your excellency's Government as the expression thereof has been to the Government of the United States.

Accept [etc.]

ROBERT LANSING

File No. 711.38/92

The Acting Secretary of State to Chargé Scholle

No. 73

DEPARTMENT OF STATE,
Washington, August 12, 1916.

SIR: For your information and for the files of your mission, there are herewith enclosed two copies each of my note of November 16, 1915, to the Ambassador of France, relative to the policy of the United States as to French interests in Haiti and of my note of the 11th instant, also to the Ambassador, in which, pursuant to his request and to the agreement expressed in the first of the aforementioned notes, there appears a final expression by this Government of the understanding reached regarding such policy. A copy of the letters addressed to Monsieur Maurice Casenave, President of the National Bank of Haiti and *mutatis mutandis* to the Minister of Haiti, form the enclosure to the second note.⁸

In your consideration of matters properly relating thereto you will be guided by this expression of the Department's policy. You will communicate one copy of each of the enclosures to the Financial Adviser of the Government of Haiti for his confidential information, and for his guidance in such matters as may, within his province, properly relate thereto.

I am [etc.]

FRANK L. POLK

⁸ See note to the Minister of Haiti, July 10, 1916, under Financial and Economic Affairs, p. 357.

HONDURAS

TREATY FOR THE ADVANCEMENT OF GENERAL PEACE, CONCLUDED BETWEEN THE UNITED STATES AND HONDURAS

Signed at Washington, November 3, 1913; ratification advised by the Senate, with amendments, August 13, 1914; ratified by the President, July 20, 1916; ratified by Honduras, May 29, 1916; ratifications exchanged at Washington, July 27, 1916; proclaimed, July 28, 1916.

Treaty Series No. 625

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas, a Treaty between the United States of America and the Republic of Honduras looking to the advancement of the cause of general peace, was concluded and signed by their respective Plenipotentiaries at Washington, on the third day of November, one thousand nine hundred and thirteen, the original of which Treaty, being in the English and Spanish Languages is, as amended by the Senate of the United States, word for word as follows:

The United States of America and the Republic of Honduras, being desirous to strengthen the bonds of amity that bind them together and also to advance the cause of general peace, have resolved to enter into a treaty for that purpose and to that end have appointed as their plenipotentiaries:

The President of the United States, the Honorable William Jennings Bryan, Secretary of State; and

The President of Honduras, Señor Doctor don Alberto Membréño, Envoy Extraordinary and Minister Plenipotentiary of Honduras to the United States;

Who, after having communicated to each other their respective full powers, found to be in proper form, have agreed upon the following articles:

ARTICLE I

The high contracting parties agree that all disputes between them, of every nature whatsoever, which diplomacy shall fail to adjust, shall be submitted for investigation and report to an International Commission, to be constituted in the manner prescribed in the next succeeding Article; and they agree not to declare war or begin hostilities during such investigation and report.

ARTICLE II

The International Commission shall be composed of five members, to be appointed as follows: One member shall be chosen from each country, by the Government thereof; one member shall be

chosen by each Government from some third country; the fifth member shall be chosen by common agreement between the two Governments. The expenses of the Commission shall be paid by the two Governments in equal proportion.

The International Commission shall be appointed within four months after the exchange of the ratifications of this treaty; and vacancies shall be filled according to the manner of the original appointment.

ARTICLE III

In case the high contracting parties shall have failed to adjust a dispute by diplomatic methods, they shall at once refer it to the International Commission for investigation and report. The International Commission may, however, act upon its own initiative, and in such case it shall notify both Governments and request their co-operation in the investigation.

The report of the International Commission shall be completed within one year after the date on which it shall declare its investigation to have begun, unless the high contracting parties shall extend the time by mutual agreement. The report shall be prepared in triplicate; one copy shall be presented to each Government, and the third retained by the Commission for its files.

The high contracting parties reserve the right to act independently on the subject-matter of the dispute after the report of the Commission shall have been submitted.

ARTICLE IV

The present treaty shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by the Congress of the Republic of Honduras; and the ratifications shall be exchanged as soon as possible. It shall take effect immediately after the exchange of ratifications, and shall continue in force for a period of five years; and it shall thereafter remain in force until twelve months after one of the high contracting parties have given notice to the other of an intention to terminate it.

In witness whereof the respective plenipotentiaries have signed the present treaty and have affixed thereunto their seals.

Done in Washington on the third day of November, in the year of our Lord nineteen hundred and thirteen.

WILLIAM JENNINGS BRYAN [SEAL]
ALBERTO MEMBREÑO [SEAL]

And whereas the said Treaty, as amended by the Senate of the United States, has been duly ratified on both parts, and the ratifications of the two governments were exchanged in the City of Washington, on the twenty-seventh day of July, one thousand nine hundred and sixteen;

Now, therefore, be it known that I, Woodrow Wilson, President of the United States of America, have caused the said Treaty to be made public, to the end that the same and every article and clause thereof, as amended, may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twenty-eighth day of July in the year of our Lord one thousand nine hundred and sixteen, and of the Independence of the United States of America the one hundred and forty-first.

[SEAL]

WOODROW WILSON

By the President:

FRANK L. POLK,

Acting Secretary of State

MESSAGE OF THE PRESIDENT, ALBERTO MEMBREÑO, TO THE CONGRESS

File No. 815.032/14

[NOTE.—The message was read to the Congress on January 1, 1916, and transmitted to the Secretary of State by the American Minister on January 4, 1916. The following are the only passages referring to the United States.]

[Translation]

By mutual agreement between this Government and the Government of the United States of America, a protocol has been signed modifying the peace treaty concluded November 13, 1913.

The Government of Honduras took part in the deliberations held by the American Governments at Washington for the purpose of establishing common rules of neutrality in the great European conflict and in order to prevent, as far as possible, disturbances in and danger to the neutral commerce of America.

It also participated, by invitation of the American Government, in the financial conference held at the city of Washington with a view to promoting the economic development of all the nations of the continent; and it is represented at present in the Second Pan American Scientific Congress. This congress was attended, as the delegates of the Government, by Drs. Carlos Alberto Uclés and Fausto Dávila, and by special invitation of the Carnegie Institute for Universal Peace, by Drs. Rómulo E. Durón, Ricardo de J. Urrutia and Luis Landa.

Other invitations of the American Government were received during the course of the last fiscal year, among them being a special invitation to our Minister of Foreign Affairs to attend the official ceremonies accompanying the formal opening of the Panama Canal, which meeting did not take place owing to the complications connected with the European war.

This friendly invitation of the American Government and the deference with which our Government has looked upon the movements of international interest in which the American Government has taken the initiative have rendered closer our relations with the great republic of the north.

I wish to state, as an act of just recognition, that the friendly and diligent action of his excellency Mr. John Ewing, Envoy Extraordi-

nary and Minister Plenipotentiary of the United States at this capital, effectively contributes toward this cordiality and good understanding which now exists with the American Government.

ALBERTO MEMBREÑO

**ARREST OF J. W. GRACE, AN AMERICAN CITIZEN, RESULTING
FROM A LAW OF HONDURAS REGARDING DESTRUCTION OF
PROPERTY BY FIRE**

File No. 815.04412/1

Consul Boyle to the Secretary of State

[Extract]

No. 68

AMERICAN CONSULATE,
Puerto Cortés, May 12, 1916.

SIR: I have the honor to quote Decree No. 24 of the Congress of Honduras, just published in *El Comercio*, a weekly newspaper of San Pedro Sula, Honduras, under date of May 6, 1916, which is the first notice that this office has had that the decree, reported as projected, was actually a law.

A translation of this decree is as follows:

Art. 1. In the application of the penalties provided for by Article 554 of the Penal Code, the owner of an insured building or edifice is presumed to be the author of any fire destroying the same, until the contrary shall have been proven.

Art. 2. Judges of Instruction shall initiate proceedings on having notice of the fact, and shall place in detention the person on whom falls the presumption of responsibility.

Art. 3. In the cases of incendiarism referred to in Article 554 of the Penal Code, the guilty parties shall be judged as much for that crime as for the swindling and embezzlement which was the object of the act of incendiarism.

Art. 4. No petition for the payment of insurance shall be considered until the criminal proceedings shall have been concluded, and the insured shall have demonstrated his innocence.

The present law shall take effect thirty days after its publication.

It is hardly necessary that I inform you that the large and influential American colony in this district, numbering many owners of business, residential and rural properties, are up in arms against a law which by its provisions prejudices them guilty of intention to commit arson by the simple act of taking out insurance to protect themselves against loss, and which reverses the modern conception of justice, that a man is innocent until proven guilty, by making it essential that he prove his innocence of a crime fixed on him solely because he protected himself against loss by the world-recognized policy of taking out insurance.

Article 33 of the Constitution of Honduras provides that a man cannot be imprisoned without at least the grave presumption that he is guilty of the act with which he is charged.

That the Government of Honduras can by law provide that the mere fact that a property was insured, recognized the world over as a strictly business transaction, is sufficient ground to indict the owner as guilty of arson, and then reverse all accepted judicial procedure by requiring him to prove his innocence, is a power far beyond my comprehension to understand.

I must also invite your attention to the fact that the crime of arson is unailable in Honduras, and that the owner of an insured property, who is so unfortunate as to have a fire will be thrown into a filthy Honduran prison, in the meanwhile having no means whatever to take charge of such of their property as might be saved from the fire.

As a simple mathematical calculation based on the insurance companies' experience that with a certain number of "risks" there will always be a larger or smaller percentage of fires, this law before long will be enforced against some American citizen; and to such end I desire definite instructions from the Department as to what steps I shall take with the local authorities.

It must also be noted that the Americans who have investments in this country made them before this arbitrary law went into effect, when they had every reason to believe that the constitutional guaranty before mentioned gave them the same protection as enjoyed in the United States.

Although such large corporations as the United Fruit Company are reputed able to look after themselves, it may be mentioned that with a company owning the immense number of plantations, terminals, railroads, houses for employees, etc., as carried by that company, and all insured, were just an ordinary number of fires to occur the Honduras manager would have to spend the greater part of his time in prison proving himself innocent of being the instigator of them.

I assure you that the application of this law is a most serious matter, and that, until definite instructions are received in the matter, I am totally at a loss as to how to proceed on the arrest of an American citizen under its provisions; and that, as before explained, this arrest is sure to come in the ordinary course of events.

I have [etc.]

WALTER F. BOYLE

File No. 815.04412/1

The Secretary of State to Chargé Spencer

No. 103

DEPARTMENT OF STATE,
Washington, June 17, 1916.

SIR: Your attention is called to despatch No. 68, of May 12, 1916, from the American Consul at Puerto Cortés, advising the Department of the passing of a new law in Honduras relative to arson. From this despatch it appears that, under a recent law of Honduras, the fact that property which may be destroyed by fire is insured creates a presumption, in the application of the criminal law, that the owner of the property is guilty of arson and that he must demonstrate his innocence; further, it appears that arson is not a bailable offense under Honduras criminal law. The enforcement of this law in its possible rigors against an American citizen in Honduras would doubtless provoke the diplomatic intervention of this Government against such action as constituting a deprivation of the right of an American citizen to orderly justice and as involving a denial or miscarriage of justice. The Department would hardly remain inactive if the property of an American citizen in Honduras, upon

which there was insurance, happened to be destroyed by fire and the owner should be thrust into jail, denied bail and be held guilty of the crime of arson solely because the property was insured, and in the absence of those circumstances or signs of guilt which, in civilized jurisdictions, are required to justify a presumption of guilt.

The Department desires that you report promptly any instance of attempted application of this law to an American citizen, together with the circumstances of the case, for explicit instructions from the Department.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

[NOTE.—A similar instruction was sent to the American Consul at Puerto Cortés, No. 34, June 19, 1916.]

File No. 815.04412/2

Chargé Spencer to the Secretary of State

[Extract]

No. 318

AMERICAN LEGATION,
Tegucigalpa, July 14, 1916.

SIR: I have the honor to acknowledge the Department's instruction No. 103 of June 17 last, in which [etc.]

I have telegraphed the Consuls at La Ceiba and Puerto Cortés and written the Consul in this city to let me know immediately of any attempt on the part of Honduran officials to enforce any of the provisions of this law against an American citizen, and I shall not fail to report promptly to the Department for explicit instructions the full circumstances of any case which may arise.

I have [etc.]

WILLING SPENCER

File No. 315.112G75/1

Chargé Spencer to the Secretary of State

No. 344

AMERICAN LEGATION,
Tegucigalpa, August 31, 1916.

SIR: I have the honor to report to the Department that yesterday I received a telegram from Consul Dyer at La Ceiba giving the facts concerning the burning of a leading hotel, the town hall, and some five other buildings in Tela, on the north coast of Honduras. The conflagration occurred about two o'clock in the early morning of August 28 last.

It appears that the hotel was leased to and under the management of Mr. J. W. Grace, an American citizen, and that it carried no insurance. Furthermore it is stated that the above-mentioned Mr. Grace lost all his worldly belongings in the fire.

After the fire had started Mr. Grace was ordered under arrest by the Justice of the Peace, pending an investigation of the origin and result of the conflagration. On the active representations of Mr. Rivers, the American Consular Agent at Tela, Mr. Grace was released from custody, only to be later peremptorily summoned by the Commandant of the district, who, it seems, was drunk and very

abusive and declared he would send Mr. Grace bound hand and foot to a military prison at San Pedro, would show that Americans could not burn up towns, and made general threats.

I have telegraphed Consul Dyer requesting information as to just how long Mr. Grace was under detention and whether he is now at liberty. As yet I have received no reply to this telegram and I shall not make formal representations to the Minister of Foreign Relations until I am certain that grave injustice has been done an American citizen.

This case, while apparently not falling directly under the head of cases within Law No. 40 of the Republic of Honduras, which is the law of arson about which the Department gave me definite instruction in No. 103 of June 17, 1916, is, nevertheless, analogous.

I shall continue to give this case my closest attention and report promptly to the Department any further developments.

I have [etc.]

WILLING SPENCER

File No. 315.112G75/2

Chargé Spencer to the Secretary of State

No. 346

AMERICAN LEGATION,
Tegucigalpa, September 6, 1916.

SIR: With further reference to the arrest of Mr. J. W. Grace, an American citizen residing at Tela and under investigation for the starting of a destructive fire in his hotel on the morning of August 28 last, details of which were reported to the Department in my despatch No. 344 of August 31 last, I have the honor to inform the Department that I have since received a telegram from Consul Dyer of La Ceiba stating that Mr. Grace is at liberty and that the criminal court of La Ceiba is conducting an investigation regarding the origin of the fire.

On three different visits to the Foreign Office this matter has been informally discussed with Dr. Vásquez, who assures me that the conduct of the Tela commandant, will be carefully investigated. This morning, on the last of these visits, at my suggestion Dr. Vásquez sent a telegram to the commandant recommending that he give fullest consideration to any suggestions made to him by Consular Agent Rivers.

I am assured that Consul Dyer will keep me fully informed regarding future developments of the case and I shall promptly report to the Department such action on my part as the circumstances may require.

I have [etc.]

WILLING SPENCER

File No. 315.112G75/1

The Secretary of State to Chargé Spencer

No. 113

DEPARTMENT OF STATE,
Washington, September 23, 1916.

SIR: The Department has received your No. 344 of the 31st ultimo relative to the assault against an American citizen, Mr. J. W. Grace, residing at Tela, by the military comandante at that place.

If the result of the investigation which is being made by you and the Consul at Ceiba shows the facts to be as stated, you will request the Government of Honduras to bring the guilty party to justice and see that such punishment is inflicted as the nature of the case would warrant.

I am [etc.]

For the Secretary of State;
FRANK L. POLK

File No. 315.112C75/4

Chargé Spencer to the Secretary of State

No. 368

AMERICAN LEGATION,
Tegucigalpa, October 24, 1916.

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 113 of September 23 last regarding the assault upon an American citizen, Mr. J. W. Grace, residing at Tela, by the military comandante at that place.

At the time the first representations were made regarding the conduct of the comandante at Tela, Dr. Vásquez promised a thorough investigation into the whole affair. As nothing further developed and the matter seemed in a fair way to be dropped and forgotten, I addressed an inquiry to the Foreign Office October 23 last, which I delivered in person and which resulted in an appointment being made for an interview with the President of the Republic for the following morning. I submit herewith a copy of my note.

During my interview with President Bertrand I reviewed the brief but active career of the military comandante of Tela, including not only his rabid anti-American acts and threats following the Tela fire but also his ridiculous attempt to compel the American residents of the district to go out and each catch and bring in twenty-five pounds of grasshoppers. While the official investigation brought out some points which the Government considers damaging to the contentions of the American residents, the President seemed convinced that the comandante is not the proper man to hold the post of comandante at Tela and assured me that he would immediately order his removal.

I have advised Consul Dyer at La Ceiba of this decision by telegraph and I believe the promised action of the President will have a salutary effect on other native officials in the Department of Atlántida.

I have [etc.]

WILLING SPENCER

[Inclosure]

Chargé Spencer to the Minister for Foreign Affairs

AMERICAN LEGATION,
Tegucigalpa, October 23, 1916.

YOUR EXCELLENCY: Acting under instructions of my Government, I have the honor to inquire of your excellency if the official investigation into the conduct of the military comandante at Tela has yet been concluded.

As your excellency will recall, on the occasion of the fire at Tela several weeks ago it was charged that he, while in a drunken condition, assaulted Mr. J. W. Grace, an American citizen who was under investigation regarding the

origin of the fire. In view of the wild threats and abusive language used by the comandante and directed against the entire American population of Tela, the incident is hardly one that can be ignored. I shall be grateful for a statement from your excellency's Government which I can forward to Washington and which will indicate to my Government what action has been taken in the matter.

I avail [etc.]

WILLING SPENCER

File No. 315.112G75/4

Secretary of State to Chargé Spencer

No. 119

DEPARTMENT OF STATE,
Washington, November 22, 1916.

SIR: The Department has received your No. 368, of October 24, transmitting a note from [to] the Foreign Office in further relation to the assault on Mr. J. W. Grace by the military comandante at Tela.

Your action in making and persisting in representations in regard to this and other anti-American activities of the comandante, resulting in President Bertrand's promise that he would order his removal from the position of military comandante, is approved by the Department.

I am [etc.]

For the Secretary of State:
FRANK L. POLK

File No. 315.112G75/6

The Secretary of State to Minister Ewing

No. 123

DEPARTMENT OF STATE,
Washington, December 13, 1916.

SIR: Referring to previous correspondence in regard to the assault upon Mr. J. W. Grace by the military comandante at Tela, Honduras, the Department encloses for your information a copy of a despatch from the American Consul at Tela [Ceiba] reporting that Colonel Manuel Antonio López has substituted the former incumbent as Comandante de Armas at that port.

I am [etc.]

For the Secretary of State:
FRANK L. POLK

[Inclosure]

Consul Dyer to the Secretary of State

AMERICAN CONSULATE,
Ceiba, November 27, 1916.

SIR: I have the honor to report that I have the following letter from the Consular Agent at Tela, dated November 15, 1916, and received at this office November 23, 1916:

SIR: I have the honor to report that Colonel Manuel Antonio López has been appointed as Comandante de Armas of this port.

This is the first information that I have received regarding the removal of the Commandant which is presumably in response to the demand made through the Legation that he be punished for his conduct in the Captain J. W. Grace affair.

I have [etc.]

FRANCIS J. DYER

ITALY

LIABILITY TO MILITARY SERVICE, UPON RETURN TO ITALY, OF:
(1) NATURALIZED AMERICAN CITIZENS OF ITALIAN BIRTH;
(2) PERSONS BORN IN THE UNITED STATES OF ITALIAN PARENTS BEFORE THE NATURALIZATION OF THE PARENTS. DUAL CITIZENSHIP. DETENTION IN ITALY OF WIVES AND CHILDREN OF NATURALIZED CITIZENS OF ITALIAN BIRTH.—CORRESPONDENCE RELATING TO NEGOTIATIONS OF A NATURALIZATION CONVENTION.¹

File No. 365.117/238

The Secretary of State to Ambassador Penfield

No. 707

DEPARTMENT OF STATE,
Washington, January 8, 1916.

SIR: The Department has been endeavoring for several months to obtain the release from military service in Italy of Frank L. Ghiloni,² who was impressed into the Italian Army upon the occasion of a visit by him to that country. It appears from the correspondence on file in the Department that Frank L. Ghiloni was born at Marlborough, Massachusetts, on August 4, 1885, his father being an Italian subject who obtained naturalization as a citizen of the United States on February 12, 1886. It further appears that Frank L. Ghiloni went to Italy when he was two years of age, returned to the United States in May, 1897, and resided here continuously until June, 1914, when he went to Italy for his health upon the advice of his physician. It was during this visit that he was impressed into the Italian army. In a despatch No. 396, of October 25, 1915,³ the Ambassador at Rome transmitted a copy of a *note verbale* which was received from the Royal Italian Ministry for Foreign Affairs, dated October 2, 1915, in which the Department's request for the release of Mr. Ghiloni was definitely refused for the reason that "he was born an Italian and only afterwards took up his abode and citizenship in another country". The Department has been informed that Mr. Ghiloni's immediate family are permanently established in the United States.

In a communication dated December 25, 1915, Mr. Alfred R. Ghiloni, of Marlborough, Massachusetts, informed the Department that his brother was taken prisoner by the Austrian army on October 21, and that his address is now as follows: "Frank L. Ghiloni, War Prisoner, 3d Co., 156th Reg't Infantry, Mantheusen [Manthausen], Austria (Hungary?)". Upon behalf of the relatives in this country, Mr. Alfred R. Ghiloni requests that proper steps be taken to inform the Austrian officials of the American citizenship of his brother, and that his release be requested, and permission obtained for him to return to the United States.

¹ Continued from For. Rel. 1915, pp. 554-584.

² Id., p. 558.

³ Id., p. 580.

You will please present the facts in this case to the appropriate Austrian officials, and request that Mr. Frank Ghiloni be released and permitted to return to this country. You are requested to inform the Department, by telegraph, concerning the decision of the Austrian authorities in this matter, as Mr. Ghiloni's relatives are very anxious to be informed as to the outcome of this case.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 355.117/239

The Secretary of State to Ambassador Page

No. 266

DEPARTMENT OF STATE,
Washington, January 12, 1916.

SIR: The Department has been informed by the Honorable Gilbert M. Hitchcock, a Senator in Congress from the State of Nebraska, that Angelo Mazzei, who was born in Italy and acquired citizenship through the naturalization of his father. Pasquale Mazzei, on November 13, 1903, returned to Italy in or about the year 1914, having in his possession a passport of this Government No. 30863, which was issued to him by the Department on May 20, 1914. It appears that Angelo Mazzei has been compelled to perform military service in the Italian army, that he has participated in several battles, and that when last heard from he was in an army hospital at Padova, Italy.

As Angelo Mazzei may be considered an American citizen, you will please present the facts in this case to the appropriate Italian authorities, and request that Mr. Mazzei be released from service in the Italian army and permitted to return to the United States. You are requested to inform the Department of the decision of the Italian authorities in this matter.

I am [etc.]

For the Secretary of State:

JOHN E. OSBORNE

File No. 365.117/249

Ambassador Page to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Rome, January 19, 1916.

539 Department's 415, December 16,⁴ Military authorities have refused exonerate Ajello from military service, holding that while he may have lost Italian citizenship during minority by reason of father's naturalization in 1889 nevertheless Ajello must be considered as still obliged to perform military service by virtue of Article 12, civil code, which was in force at time his class called to colors.

AMERICAN EMBASSY

⁴ Id., p. 533.

File No. 365.117/260a

The Secretary of State to Ambassador Page

No. 276

DEPARTMENT OF STATE,
Washington, January 25, 1916.

SIR: The Department has been informed by Mrs. Enrichita Zuffi, who resides at 369 West Side Avenue, Jersey City, New Jersey, that her son, John Zuffi, who was born in New York City on November 27, 1897, is now at the following address: "Care Signor Giambatista Capelti, Ottone, Bertinoro Commune, Province of Pavia". Satisfactory documentary evidence of the birth of John Zuffi on the date and at the place stated has been submitted to the Department. It appears that his parents were subjects of Italy at the time of his birth, that his father, who was a seaman by occupation, deserted his mother shortly after his birth, that after Mrs. Zuffi was deserted by her husband, John Zuffi was sent to Italy to be cared for by relatives, that he is the only son, and that his presence in this country is required in order to assist in maintaining his mother and several minor sisters. It further appears that Mrs. Zuffi has furnished her son with documentary evidence of his American citizenship, but that he has been unable to return to the United States.

You will please inform the appropriate Italian authorities concerning the facts in this case, calling especial attention to the fact that John Zuffi is the only son and that it is necessary for him to return to the United States to assist in maintaining his mother and sisters. You will also please request that he be released from the performance of military service in the Italian army and permitted to return to this country.

I am [etc.]

For the Secretary of State:
JOHN E. OSBORNE

File No. 365.117/293

Ambassador Page to the Secretary of State

No. 450

AMERICAN EMBASSY,
Rome, February 3, 1916.

SIR: In reply to the Department's instruction No. 253 of December 7 last,⁴ relative to the release from military service of Giacomo Carmine Mazza, I have the honor to transmit herewith a translation of a Foreign Office note received to-day, conveying the regret of the Italian War Office at its inability to release this young man upon the ground that both he and his father are, according to the Italian laws, Italian citizens and upon the further ground that the boy has lived in Italy for the past twelve years.

I have [etc.]

THOS. NELSON PAGE

⁴ Id., p. 583.

[Inclosure—Translation]

*The Ministry for Foreign Affairs to Ambassador Page*FOREIGN OFFICE,
Rome, February 2, 1916.

In response to its *note verbale* No. 936 of December 27 last, the Royal Ministry for Foreign Affairs has the honor to inform the Embassy of the United States of America that the War Office, after a careful consideration of the American Embassy's note under acknowledgment, states that it regrets very much not to be able to grant exemption from military service to Giacomo C. Mazza, for the reason that the father of this young man is still considered to be an Italian citizen, which makes the son also an Italian.

Moreover, it appears that young Mazza, according to the records of the Prefectura of Potenza, has been living in Italy for the past thirteen years, since 1902.

File No. 365.117/269

The Secretary of State to Ambassador Page

[Telegram]

DEPARTMENT OF STATE,
Washington, February 17, 1916.

481. Detention of Enrico Ajello. Present case again to Italian Government, calling particular attention to fact Ajello born New York City March 15, 1882. Ajello resided this country continuously since birth, with exception short business trip Italy 1906. Refer Ghiloni case. Ask release. Report fully.

LANSING

File No. 365.117/276

Ambassador Page to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Rome, February 18, 1916.

567. Department's 481, 17th. Ajello case has had long and careful consideration military authorities who have definitely ruled against him as set forth Embassy's 539, January 19. Do you now wish case reopened?

AMERICAN EMBASSY

File No. 365.117/192

The Secretary of State to Ambassador Page

[Telegram]

DEPARTMENT OF STATE,
Washington, February 18, 1916.

482. See Department's 481, 17th, impressment Enrico Ajello, In connection with this please reread Department's 252 of June 7^s and 387 of July 20, 1915,^s concerning Ghiloni. In pressing Ajello case use arguments contained therein. In particular emphasize facts Ajello born this country 1882, domiciled here ever since, has evi-

^s Id., pp. 558, 570, and 580.

dently elected American nationality, and was seized while on temporary visit to Italy. Foreign Minister's note enclosed with your despatch 396, October 25, concerning Ghiloni,⁵ indicates misunderstanding of case. Ghiloni and Ajello claim American citizenship, not through naturalization, but through birth in this country. Please endeavor obtain definite reply from Italian Government and report.

LANSING

File No. 365.117/192

The Secretary of State to Ambassador Penfield

[Telegram]

DEPARTMENT OF STATE,
Washington, February 18, 1916.

1129. See Department's instruction 707, January 8. Emphasize the fact Frank L. Ghiloni born American citizen, was impressed into Italian army and was serving against his wishes. Earnestly request his release and permission return this country. His mother seriously ill because of his plight. Report result intercession, also Ghiloni's condition.

LANSING

File No. 365.117/287

Ambassador Penfield to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Vienna, March 3, 1916.

1172. Department's 1129, February 18. Information just received from central information bureau of Red Cross states Frank Ghiloni wounded and taken prisoner in October last, transferred to Mauthausen in November. He is now perfectly well. Am awaiting reply competent authorities concerning his release.

PENFIELD

File No. 365.117/304

Ambassador Page to the Secretary of State

No. 461

AMERICAN EMBASSY,
Rome, March 4, 1916.

SIR: Referring to the Department's telegram No. 482 of February 18 relative to the detention in Italy for military service of Enrico Ajello and also to the Ghiloni case, I have the honor to report that immediately upon the receipt of the Department's telegram I addressed another note to the Royal Minister for Foreign Affairs, carrying out the instructions contained in your telegram.

I also called upon the Minister personally and went over the whole matter with him. He promised to have all these military service cases studied anew; but I am far from sanguine as to the chance of

⁵ Id., pp. 558, 570, and 580.

having any further modification of the situation, inasmuch as he states that these matters are substantially in the hands of the military authorities who decide as to whether or not these detention cases fall under the law, which the Minister assures me is very clear and positive in its terms.

I pointed out to Baron Sonnino how difficult it was for us to relinquish a position based on the principle of citizenship by birth, whereas these cases are only individual instances so far as his Government is concerned, and the detained Americans may be released without calling up the question of the Italian laws on the subject.

In this connection I further directed his attention to the danger of extreme friction arising where the laws of two countries are in conflict on such an important principle and suggested that we should have a naturalization treaty.

At first, Baron Sonnino expressed himself as feeling that this was not an opportune moment to commence negotiations for such a treaty; but I argued that it was a most opportune moment when this question of conflict was likely to arise in case after case, and when there was actual danger of friction being caused which it might be difficult to allay; whereas, recognizing, as we both did, this danger, it should not be difficult for us to come to an accord in regard to the proper measures to avoid such friction.

The Minister appeared to be somewhat impressed by my arguments and asked me to furnish him with copies of any conventions which the United States might have with other nations relating to naturalization, saying that he would have the matter studied. I have accordingly sent him copies of the published treaties at present in existence between the United States and Austria, the German Confederation, and Belgium and I have some hope that the result may be the forwarding of some sort of convention mutually acceptable.

I further discussed with the Minister a matter cognate to this question of holding up American-born citizens in Italy; that is, the detention of the wives and children of naturalized Italian citizens in the United States with a view to compelling their husbands and fathers to return to Italy for military service.

The Minister did not appear ready to make any concessions in this matter, at least to the extent of promising to give orders that such wives and children should be permitted freely to join their husbands and fathers now in the United States; but I am informed that there has been some relaxation of the rule which has been in operation. As to this, however, I do not feel too certain, for I know that the representatives of some of the South American countries are at present complaining of the same sort of detention. Indeed, the Minister of the Argentines came to see me the other day to discuss, unofficially, this very matter, and in the course of our conversation he told me that the Italian Commissioner of Emigration here, or one of his underofficials, had plainly stated that the wives and children or mothers of those Italians whom they considered to be still bound by their military duties to return to Italy from America would not be permitted to leave Italy for the purpose of joining their relatives across the sea.

I deem it proper to bring the foregoing to your attention for your future information and consideration in connection with these questions.

I have [etc.]

THOS. NELSON PAGE

File No. 365.117/295

Ambassador Penfield to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Vienna, March 14, 1916.

1185. My telegram March 3. Ministry ask what guaranty can be given that Frank Ghiloni will not again bear arms against monarchy or allies during present war case release.

PENFIELD

File No. 365.117/316

Ambassador Penfield to the Secretary of State

No. 1404

AMERICAN EMBASSY,
Vienna, March 16, 1916.

SIR: With reference to this Embassy's telegrams No. 1172 and No. 1185 of March 3 and 14 respectively, I have the honor to enclose herewith copy of a *note verbale* dated March 9, in which the request contained in my last telegram above mentioned on behalf of the Austro-Hungarian Ministry of War and other details relative to Ghiloni were recited. Copy of the Embassy's *note verbale* in reply to this communication is also enclosed for the information of the Department.

I have [etc.]

FREDERICO C. PENFIELD

[Inclosure 1—Translation]

FOREIGN OFFICE,
Vienna, March 9, 1916.

With reference to the *notes verbales* No. 4948 of February 8 and No. 5189 of February 21, 1916, the Imperial and Royal Ministry for Foreign Affairs has the honor to inform the Embassy of the United States of America that it has not failed, upon receipt of these notes, to request the Imperial and Royal Ministry of War for conclusive action in this case by the military authorities.

The Imperial and Royal Ministry of War reports that, while endeavoring to accommodate the Government of the United States, it is obliged to examine the conditions of the case with great care, since Frank Ghiloni was taken prisoner as an Italian soldier with arms in hand by Austro-Hungarian soldiers.

Aside from the proof of identity of Ghiloni still to be furnished, the investigation of this case will principally affect the question whether and to what extent Ghiloni had been compelled to join the Italian army.

In the opinion of the Imperial and Royal Ministry of War this question can not be answered in the affirmative until further development, since it is very likely that, if Ghiloni had been compelled to join the Italian army against his will, as an American citizen he would have appealed to the American Embassy at Rome for protection and by its intervention his dismissal would doubtless have followed.

The anxiety contended as being caused to his mother by Ghiloni's fate, appears to the Imperial and Royal Ministry of War as hardly justifiable in view of the well-known good treatment accorded to Italian prisoners of war in this country, this so much the more since Ghiloni is at present less ex-

posed to dangers than he was at the time when he fought against the Austro-Hungarian army with arms in hand.

The Imperial and Royal Ministry besides instructed the command of war prisoners' camps at Mauthausen of the relevant points necessary in the consideration of the case.

As regards to a definite attitude in this case it would be of special interest to the Imperial and Royal Ministry of War to be informed what safeguards could be offered should Ghiloni be dismissed and that in such an event he would not carry arms against Austria-Hungary or its allies during this war.

The Imperial and Royal Ministry for Foreign Affairs awaits information on this point from the Embassy of the United States of America.

[Inclosure 2]

AMERICAN EMBASSY,
Vienna, March 16, 1916.

The American Embassy presents its compliments to the Imperial and Royal Ministry for Foreign Affairs and with reference relative to the American citizen, Frank Ghiloni, who was taken prisoner by the Austro-Hungarian forces and is now interned in the Monarchy, has the honor to state that information was received from the Department of State to the effect that the man in question was born at Marlborough, Massachusetts, on August 4, 1885, his father being an Italian subject who obtained naturalization as a citizen of the United States on February 12, 1886; that it further appears that Frank Ghiloni went to Italy when he was two years of age, returning to the United States in May, 1897 and residing there continuously until June, 1914, when he went to Italy for his health upon the advice of his physician. It was during this visit that he was impressed into the Italian Army. Subsequent to his impressment a formal request was made to the competent Italian authorities by the American Embassy at Rome for his release, which was, however, not granted on the ground that "he was born an Italian and only afterwards took up his abode and citizenship in another country".

This Embassy has cabled to the Department of State requesting information as to what guaranties can be given that Frank Ghiloni will not again bear arms against the Monarchy or its allies during the present war in case he should be released, and in accordance with the request of the Imperial and Royal authorities the desired information will be transmitted upon its receipt.

File No. 365.117/295

The Secretary of State to Ambassador Penfield

[Telegram]

DEPARTMENT OF STATE,
Washington, March 21, 1916.

1167. Your 1185, 14th. Will Ghiloni's sworn statement be accepted? If not, what guaranty will be required? Again mention that Department's records show clearly Ghiloni was impressed into Italian army and did not volunteer. This Government endeavored obtain his release from Italian army but without success.

LANSING

File No. 865.012/3A

The Secretary of State to Ambassador Page

No. 309

DEPARTMENT OF STATE,
Washington, March 23, 1916.

SIR: With reference to the cases of persons born in this country of Italian parents and held in Italy for military service, such as the case of Ghiloni, the Department's attention is called to Article 7

of the Italian law on citizenship promulgated June 30, 1912, reading as follows:

Except in the case of special provisions to be stipulated by international treaties, an Italian citizen born and residing in a foreign nation, which considers him to be a citizen of its own, retains still Italian citizenship, but he may abandon it when he becomes of age.

Please ask the Italian Government whether this provision is not applicable to persons born in this country of Italian parents, provided such persons were domiciled in this country upon attaining their majority, still maintain such domicile and evidently elected American rather than Italian nationality. You will also ask to be informed as to what evidence will satisfy the Italian authorities of abandonment of Italian nationality on the part of persons born in the United States of Italian parents.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 365.117/303

Ambassador Penfield to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Vienna, March 27, 1916.

1205. Your 1167, 21st. Ministry Foreign Affairs inform me Ministry War although prepared to comply wishes American Government regarding release Frank L. Ghiloni cannot do so except under assumption that American Government first cause Italian Government recognize his American citizenship, otherwise likelihood would obtain that after being discharged he could again be compelled by Italy or Allies to perform military service Italian army against Central Powers; this in view refusal Italian authorities to recognize his American citizenship and permit return to United States intervention of American representatives notwithstanding.

PENFIELD

File No. 368.117/303

The Secretary of State to Ambassador Penfield

[Telegram]

DEPARTMENT OF STATE,
Washington, March 31, 1916.

1179. Your 1205, 27th. Ask release Ghiloni upon his sworn statement that he will return immediately United States, and will not leave United States during continuance war. Say Department received positive assurances Ghiloni impressed into Italian army against his will, and upon such assurances Department endeavored obtain his release. Department assured Ghiloni will not revisit Italy during war.

LIANSING

File No. 365 117/301

The Secretary of State to Ambassador Page

[Telegram]

DEPARTMENT OF STATE,
Washington, March 31, 1916.

518. Department's 481, February 17, concerning detention Enrico Ajello. Are you sending written report? Please consider carefully application Article 7 Italian law on citizenship promulgated June 30, 1912. Written instruction concerning this point sent 23d.

LANSING

File No. 365.117/298

The Secretary of State to Chargé Jay

No. 316

DEPARTMENT OF STATE,
Washington, April 10, 1916.

SIR: The Department has been informed by the Honorable Daniel J. Griffin, a Representative in Congress from the State of New York, that Mr. Giovanni De Fato of West 8th Street, Coney Island, New York, desires to have arrangements made to facilitate the departure from Italy for the United States of his son, Donato De Fato, who was born in Italy on October 13, 1890, emigrated to the United States in 1893, claims citizenship through the naturalization of his father in the Court of Common Pleas of Jersey City, New Jersey, on September 25, 1896, and since October, 1910, has resided at Bella, Province of Potenza, Italy, with an aunt, Miss Teresa De Fato. It appears from affidavits by Mr. De Fato's father and family physician that he is suffering with tuberculosis, that he went to Italy for the purpose of benefiting his health, and that since his arrival in Italy he has not performed work of any kind, except to assist his aunt in her household duties. It further appears that Donato De Fato has been required to perform military service in the Italian army. There is enclosed herewith a photograph of Mr. Donato De Fato, in order that you may verify the identity of the young man now in Italy.

You will please inform the appropriate Italian authorities concerning the American citizenship of Donato De Fato and request that he be released from the performance of military service in the Italian army and permitted to return to the United States. You are requested to issue an emergency passport to him to facilitate his departure from Italy for the United States, reporting the outcome of this matter to the Department, in order that the interested persons in this country may be informed.

I am [etc.]

For the Secretary of State:
FRANK L. POLK

File No. 365.117/307

The Secretary of State to Chargé Jay

No. 324

DEPARTMENT OF STATE,
Washington, April 18, 1916.

SIR: The Department has been informed by Mr. Joseph Crosetti, who resides at No. 719 Willow Avenue, Hoboken, New Jersey, that his cousin, Mr. Joseph Nicholas Orocchi, who was born at Newark, New Jersey, on March 21, 1884, went to Italy shortly prior to the outbreak of the present war in Europe, and has been detained by the local authorities in Italy for the performance of military service in the Italian army. It appears that Mr. Antonio Orocchi, the father of Joseph Nicholas Orocchi, obtained naturalization as a citizen of the United States in the County Court of Queens County, New York, on October 20, 1893; that Joseph Nicholas Orocchi had a passport, No. 37735 issued July 20, 1914, in his possession when he went to Italy, and that his address is as follows:—"Cassingheno, Carpeneto, Genoa, Italy".

You will please inform the appropriate Italian authorities concerning the American citizenship of Joseph Nicholas Orocchi and request that he be released from the performance of military service in the Italian army and permitted to return to the United States. In case permission is obtained for him to leave Italy, you will please issue an emergency passport to him to enable him to return to the United States.

I am [etc.]

For the Secretary of State:
FRANK L. POLK

File No. 365.117/818

The Secretary of State to Chargé Jay

[Telegram]

DEPARTMENT OF STATE,
Washington, April 21, 1916.

532. Department's instruction 266, January 12, concerning impressment into Italian army of Angelo Mazzei. Report present status.

LANSING

File No. 365.117/818

The Secretary of State to Ambassador Penfield

[Telegram]

DEPARTMENT OF STATE,
Washington, April 25, 1916.

1204. Your despatch number 1404, March 16, and Department's telegram 1179, March 31. Will Austrian authorities release Ghiloni upon his promise suggested and Department's assurance that passport will not be issued to him to leave United States during continuation of war?

LANSING

File No. 365.117/304

The Secretary of State to Chargé Jay

No. 333

DEPARTMENT OF STATE,
Washington, May 1, 1916.

SIR: I have received and read with much interest your despatch No. 461, of March 4, 1916, reporting the representations which you have recently made to the Italian Minister for Foreign affairs concerning the detention in Italy and impressment into the army of persons born in this country of Italian parents, and persons of Italian birth who have obtained naturalization as citizens of this country, and also the detention of the wives and children of naturalized Italians for the purpose of inducing the latter to leave the United States and report for military service in Italy.

For the reasons mentioned in your despatch, I fully realize the difficulties in the way of reaching a satisfactory agreement with the Italian Government concerning citizenship cases at the present time. The correspondence concerning the cases of Ghiloni and others seems to indicate a determination on the part of the Italian authorities to abide strictly by the letter of the Italian law and to make no concessions upon general principles. In several cases you were instructed to ask the Italian authorities to recognize the application of the principle of election of nationality on the part of persons born in the United States of unnaturalized Italian parents, but I have not observed any willingness on their part to do so, notwithstanding the fact, recently called to my attention, that the Italian law of citizenship promulgated June 30, 1912, contains a provision explicitly recognizing this principle. This provision, which is found in Article 7 of the law mentioned, was quoted in the Department's instruction No. 309 of March 23 last and was referred to in the Department's telegram No. 518 of March 31. It would be interesting to obtain a definite written statement from the Italian Foreign Minister as to whether the provision of Article 7 of the Italian law of citizenship of June 30, 1912, is applicable to the cases of persons who were born in the United States of unnaturalized Italian parents, have maintained their domicile in this country and have evidently made a practical election of American rather than Italian nationality. In this connection I may say there has been considerable feeling manifested in this country concerning detention by the Italian authorities of persons having the status just mentioned. The feeling in regard to these cases seems to be even stronger than that concerning the detention in Italy of persons of Italian birth who have acquired American citizenship through naturalization. There has also been considerable feeling over the detention in Italy of the wives and children of naturalized American citizens residing in this country and I consider that you should remonstrate earnestly whenever cases of this kind are brought to your attention. In this connection I should like to be informed whether the Ministers from the Argentine Republic and other South American countries, mentioned

in your despatch, have remonstrated with the Italian Government concerning these cases.

I desire that you continue to avail yourself of every suitable opportunity to impress upon the Italian Government the views of this Government concerning cases of the kind mentioned in your despatch. The conclusion of a treaty of naturalization definitely settling the status of persons of Italian birth who have acquired naturalization as citizens of this country and persons of American birth who have obtained naturalization as subjects of Italy is greatly to be desired. In discussing this particular matter with the Italian Foreign Minister I suggest that you call special attention to the provision of Section 2 of the Expatriation Act of March 2, 1907, that "when any naturalized citizen shall have resided for two years in the foreign state from which he came * * * it shall be presumed that he has ceased to be an American citizen, and the place of his general abode shall be deemed his place of residence during said years"; also to the provision of the second paragraph of Section 15 of the Naturalization Act of June 29, 1906, to the effect that, when a naturalized citizen of the United States establishes himself permanently in his native land within five years after obtaining naturalization in this country, proceedings may be instituted to cancel the naturalization upon the ground that it was fraudulently procured. It would be well to mention the fact that the principle underlying these laws is also embodied in most of the naturalization treaties which the United States has concluded with other countries. For example, Article 4 of the Naturalization Treaty of 1868 between the United States and the North German Confederation contains the following provisions:

If a German naturalized in America renews his residence in North Germany, without the intent to return to America, he shall be held to have renounced his naturalization in the United States.

The intent not to return may be held to exist when the person naturalized in the one country resides more than two years in the other country.

The statutory and treaty provisions mentioned above should convince the Italian Government that this Government has no desire to extend its protection to persons of Italian birth who have obtained naturalization as citizens of this country and have subsequently returned to their native land for permanent residence. It is the desire of this Government to extend its protection only to naturalized American citizens who obtained their naturalization in good faith and intend to continue their residence in the United States, and to persons who have acquired American citizenship through birth in this country and have elected American rather than foreign nationality.

With relation to the class last mentioned, you may observe that this Government has declined to make any representations in cases of persons who were born in the United States but who had established themselves in Italy during early infancy and evidently had made a claim to American citizenship only for the purpose of avoiding the performance of military service in Italy. It is the desire and

intention of the Department always to make a careful discrimination in these cases and to extend its protection only to those who are American citizens in fact as well as in name.

I am [etc.]

ROBERT LANSING

File No. 865.111/14

Chargé Jay to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Rome, May 4, 1916.

633. Embassy has been informed on various occasions during the winter by consuls and women concerned that Italian authorities were refusing permission to return to United States to wives of naturalized citizens of the United States of Italian origin now in America on the ground that their husbands had not returned to perform military service. Embassy addressed notes to Foreign Office on the subject requesting to be informed whether such action was taken under direct Government orders, and Ambassador personally discussed matter on several occasions; but until now no definite admission has been made. To-day, Minister for Foreign Affairs acknowledges Embassy's note of February 17 and, after recapitulating favorable action taken in several cases, states:

The last named, Sciulli Vincenzo, was, however, definitely refused passport, it having been ascertained that it was her intention to join her husband, Nicola de Julus, whose class and category had already been under arms. The Royal Government as a matter of fact does not consider it opportune to issue passports to go abroad to the families of those whose classes or categories have already been called to arms or are liable to be called in the near future. This stand is taken primarily in order that such wives and children be not exposed to the danger of reaching the United States only to find upon their arrival that their husbands or fathers have already departed for Italy in order to respond to their military obligations.

Word "passport" above merely implies permit, as all such women are naturally granted on application American passports. I immediately sought interview with permanent Undersecretary whom I have known for many years at other posts and frankly expressed great concern at dissatisfaction with which decision would be received in America, even implying that press and people might say Italy was holding women and children as hostages. He stated that matter had been carefully considered and made usual argument about American naturalization not being recognized by Italy. He seemed, however, much impressed by my argument and asked me to call on him to-morrow evening saying that he would meanwhile like to talk over matter with many people. He asked whether France and other powers not enjoying naturalization treaty with us were not taking practically similar action in similar cases. Please instruct me by cable on this special point as reply in negative would seem valuable argument. Also please give me Department's views and any essential instructions.

AMERICAN EMBASSY

File No. 365.117/329

Ambassador Penfield to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Vienna, May 5, 1916, 6.30 p. m.

1248. Your telegram 1204, April 25. Ministry for Foreign Affairs agrees to release Frank Ghiloni under following conditions:

1. Ghiloni to make sworn affidavit in presence of official of American Embassy that he will not again bear arms against Austria-Hungary or allies during present war.

2. That he will not leave territory of the United States after repatriation during war.

3. Ghiloni to be repatriated via Germany and Holland or Scandinavia and American Government to guarantee that he shall not be seized by Entente Powers and compelled to do military service.

Ministry for Foreign Affairs wishes to know if United States Government agrees to above so that, if so, release of Ghiloni may be immediately effected. Request instructions.

PENFIELD

File No. 865.111/15

Chargé Jay to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Rome, May 6, 1916.

634. Referring to the Embassy's number 633, May 4. Permanent Undersecretary of State informed me this evening that matter was receiving very sympathetic consideration of the Foreign Office and other departments and that he felt certain that some arrangement will be effected within the next few days by which in practice, even if not officially, wives and children will be permitted to leave. I received distinct impression Foreign Office most anxious to arrange this matter so as to avoid any ill feeling or irritation in the United States.

JAY

File No. 365.117/329

The Secretary of State to Chargé Jay

[Telegram]

DEPARTMENT OF STATE,
Washington, May 8, 1916.

1215. Your 1248, 5th, concerning Ghiloni. Department cannot absolutely guarantee Ghiloni would not be seized by Entente Powers; it does not believe that he would be. This Government does not recognize right of Entente Powers to seize Ghiloni and in case of seizure would demand his immediate release. It is understood of course that Ghiloni would not enter Italian territory. It would seem advisable for him to return by Scandinavian route.

LANSING

File No. 865.012/2

Chargé Jay to the Secretary of State

No. 494

AMERICAN EMBASSY,
Rome, May 9, 1916.

SIR: Referring to the Department's instruction No. 309 of March 23, received April 21, in which the Embassy was instructed to inquire from the Italian Government in regard to the application of Article 7 of the Italian law on citizenship of June 30, 1912, I have the honor to enclose herewith a copy of this Embassy's note to the Minister for Foreign Affairs which followed closely the wording of the Department's instruction, and a translation of the Minister for Foreign Affairs' reply received yesterday.

I have [etc.]

PETER A. JAY

[Inclosure 1]

Chargé Jay to the Minister for Foreign Affairs

No. 1081

AMERICAN EMBASSY,
Rome, April 2, 1916.

EXCELLENCY: In further reference to previous correspondence relative to the release from military service in Italy of naturalized and native-born American citizens, I have the honor to inform your excellency that I am in receipt of an instruction from my Government to the effect that its attention has been called to Article 7 of the Italian law of citizenship promulgated June 30, 1912, reading as follows:

Except in the case of special provisions to be stipulated by international treaties, an Italian citizen born and residing in a foreign nation, which considers him to be a citizen of its own, still retains Italian citizenship; but he may abandon it when he becomes of age.

In connection with the foregoing, I have been instructed to ask your excellency's Government whether this provision is not applicable to persons born in the United States of Italian parents, provided such persons were domiciled in America upon attaining their majority, still maintaining such domicile, and evidently elected American rather than Italian nationality.

I am further instructed to ask if your excellency will be good enough to inform my Government as to what evidence will satisfy the Royal Italian authorities of abandonment of Italian nationality on the part of persons born in the United States of Italian parents.

I avail [etc.]

P. A. JAY

[Inclosure 2—Translation]

*The Ministry for Foreign Affairs to Chargé Jay*FOREIGN OFFICE,
Rome, May 6, 1916.

MR. CHARGÉ D'AFFAIRES: In response to your note of April 2 last, No. 1081, I have the honor to inform your excellency that Article 7 of the Italian citizenship laws adopted June 13, 1912, is applicable to all Italian citizens born and residing abroad, and consequently applicable likewise to Italian citizens born and residing in the United States of America.

With respect to the manner in which those persons, upon reaching their majority or emancipation, shall act in order to demonstrate their desire to renounce Italian citizenship, Article 5 of the regulations for the execution of the Italian citizenship laws above referred to, reads as follows:

The renunciation called for in Article 7 of the law must be made before a diplomatic or consular agent of the place where the renouncer resides. Such diplomatic or consular

attach a copy this declaration in a special register and forward a copy thereof immediately to the Minister of the Interior in Italy, who will arrange for its registration by the competent authorities of the Kingdom in the registers of the Bureau of Vital Statistics of the Kingdom.

Pray accept [etc.]

S. SONNINO

File No. 865.111/15

The Secretary of State to Chargé Jay

[Telegram]

DEPARTMENT OF STATE,
Washington, May 12, 1916.

548. Your telegrams 633 and 634, May 4 and 6. Inform Italian Government no countries except Italy attempt to hold wives and children of naturalized American citizens in order to induce latter to return for military service. Say that this Government earnestly desires that wives and children of naturalized American citizens now detained in Italy be permitted to return this country.

LANSING

File No. 365.117/354

Ambassador Penfield to the Secretary of State

No. 1599

AMERICAN EMBASSY,
Vienna, May 15, 1916.

SIR: Adverting to the Department's telegram No. 1204 of April 25, my No. 1248 of May 5, and the Department's No. 1215 of May 8, relative to the American citizen Frank Ghiloni, at present detained by the Austro-Hungarian authorities as an Italian prisoner of war, I have the honor to enclose herewith a copy with translation of a *note verbale* of May 1 from the Austro-Hungarian Ministry of Foreign Affairs, wherein are stipulated the conditions under which the competent authorities are prepared to release Ghiloni, as reported in my telegram No. 1248 above referred to. I furthermore have the honor to enclose a copy with translation of a *note verbale* of May 5 from the Ministry of Foreign Affairs expressing pleasure on receipt of the Department's assurance that subsequent to his repatriation no passport would be issued to Ghiloni to leave the United States during the continuation of the war.

The substance of the Department's telegram No. 1215, of May 8, has been duly communicated to the Austro-Hungarian Ministry of Foreign Affairs, with the request that the Embassy may be informed at an early date of the decision of the competent authorities, in order that the Department may be duly informed of Ghiloni's departure for the United States.

I have [etc.]

FREDERIC C. PENFIELD

[Inclosure 1—Translation]

The Ministry for Foreign Affairs to Chargé Jay

FOREIGN OFFICE,
Vienna, May 1, 1916.

With reference to the esteemed *note verbale* of April 5, 1916, the Imperial and Royal Ministry of Foreign Affairs has the honor to inform the Embassy of the United States of America that, according to a communication received

from the Imperial and Royal Ministry of War, the latter has declared itself ready, considering the statement now made by the Department of State in Washington, to discharge the Italian soldier, Frank L. Ghiloni, under the following conditions, from war imprisonment and to transfer him to the American Embassy for the purpose of sending him to the United States.

First of all, Frank L. Ghiloni would have to make a sworn affidavit in the presence of an official of the American Embassy, in which he would have to declare that during the present war he will not again bear arms against the Austro-Hungarian Monarchy or its allies and that he will not leave the territory of the United States after his repatriation and during the above-mentioned period.

On the part of the Embassy of the United States of America care would have to be taken that the repatriation of Frank L. Ghiloni should take place not via Switzerland, but via Germany and Holland or Scandinavia; and that the above-named, on his way home, should not be seized by the Entente Powers and compelled to do military service.

The Embassy of the United States of America is requested to inform the Imperial and Royal Ministry of Foreign Affairs whether or not it will agree to the above-mentioned conditions so that, if this be so, the release of Ghiloni may take place without delay.

In this case the Imperial and Royal Ministry of Foreign Affairs would attach importance to being informed later on of Ghiloni's arrival in America as soon as this ensues.

[Inclosure 2—Translation]

The Minister for Foreign Affairs to Chargé Jay

FOREIGN OFFICE,
Vienna, May 5, 1916.

With reference to the esteemed note verbale of April 27, 1916, and its *note verbale* of May 1, 1916, the Imperial and Royal Ministry for Foreign Affairs has the honor to request the Embassy of the United States of America to be good enough to inform the Department of State in Washington that the Imperial and Royal Government had pleasure in receiving the assurance that subsequent to his repatriation no passport enabling him to quit the country will be issued to Frank L. Ghiloni, by American authorities within the duration of the present war.

File No. 865.111/17

Chargé Jay to the Secretary of State

[Extract]

No. 496

AMERICAN EMBASSY,
Rome, May 17, 1916.

SIR: Referring to the Embassy's telegrams Nos. 633 and 634 of March 4 and 6 and to the Department's reply No. 548, May 12. I have the honor to enclose herewith a copy of a note which I have addressed to-day to the Minister for Foreign Affairs in order to place on record the views of the Department as well as those which I have expressed verbally at the Foreign Office on this subject.

I was much gratified to learn from the Department's telegram that no other belligerent country, including those which do not possess naturalization treaties with the United States, is making use of this means to secure the return for military duty of their former citizens, and I consider this argument should have great weight with the Italian Government.

I am following up the matter personally at the Foreign Office and believe that these obnoxious measures will be, if not actually withdrawn officially, at least not enforced in the case of wives and children bearing valid American passports.

I have [etc.]

PETER S. JAY

[Inclosure]

Chargé Jay to the Minister for Foreign Affairs

AMERICAN EMBASSY,
Rome, May 16, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of the 3d instant, in reply to this Embassy's note of February 17, in which the Ambassador drew attention to the fact that the wives and children of naturalized American citizens of Italian origin wishing to join their husbands and fathers in the United States found themselves prevented from so doing because of obstructions placed in the way of their departure from the Kingdom by the military authorities.

Your excellency, after recapitulating certain special cases in which permission to leave Italy had been granted, states:

The last named, Sculli Vincenza, was, however, definitely refused a passport, it having been ascertained that it was her intention to join her husband, Nicola de Julius, whose class and category had already been called to arms.

The Royal Government, as a matter of fact does not consider it opportune to issue passports to go abroad to the families of those whose classes or categories have already been under arms, or which are liable to be called in the near future.

The Embassy had hoped, as had been shown in Mr. Page's previous communications on this subject, that the detention in Italy of the wives and children of naturalized American citizens whose husbands and fathers were considered by the Royal authorities to be liable for military service was due to possible over-zeal on the part of the local authorities and not to the direct orders of the Royal Government.

I am now under telegraphic instructions from my Government to draw special attention to the fact that Italy is the only country, even at the present time of war, which is holding the wives and children of naturalized American citizens in order to induce the latter to return to Italy for military service, and I am to impress upon your excellency that the Government of the United States earnestly desires that the wives and children of naturalized American citizens now in Italy be permitted to return freely to the United States.

As the governments of none of the other belligerent nations, including those which, like Italy, do not possess naturalization treaties with the United States, are detaining the wives and children of naturalized American citizens who have failed to return for military service to the country of their origin; and in view of the great importance attached to this question by my Government, I earnestly hope that your excellency will cause suitable instructions to be given to the local authorities permitting the unrestricted departure of all women and children of this class who may be furnished with valid American passports.

I avail [etc.]

PETER S. JAY

File No. 365.117/340

The Acting Secretary of State to Chargé Jay

No. 339

DEPARTMENT OF STATE,
Washington, May 19, 1916.

SIR: The Department has been informed by the Honorable Frederick W. Dallinger, a Representative in Congress from the State of Massachusetts, that Bartolomeo Licciardo, who was born in Italy and obtained naturalization as a citizen of the United States in the

United States District Court at Boston, Massachusetts, on March 9, 1914, left the United States in May, 1914, and went to Italy for the purpose of visiting his mother who was then residing at Salina, Province of Messina, Italy. It appears that some time after his arrival in Italy Mr. Licciardo was impressed into the Italian army and that he is now serving as a member of the 6th Company M. M. of the 145th Regiment of Infantry of the Italian army. Satisfactory evidence of the naturalization of Mr. Licciardo has been submitted to the Department.

You will please present the facts of this case to the appropriate Italian authorities and request that Bartolomeo Licciardo be released from the Italian army and permitted to return to the United States. In case Mr. Licciardo is released, you may issue an emergency passport to him to enable him to leave Italy.

I am [etc.]

For the Acting Secretary of State:

JOHN E. OSBORNE

File No. 365.117/341a

The Acting Secretary of State to Chargé Jay

[Telegram]

DEPARTMENT OF STATE,
Washington, May 23, 1916.

554. Department's instruction 276, January 25, concerning detention John Zuffi. Urge early decision, report.

POLK

File No. 865.111/16

Chargé Jay to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Rome, May 23, 1916.

639. Referring to Embassy's 633 and 634 and Department's 548, May 12, I was called to Foreign Office this morning and informed that Italian Government, while unable, owing to absence of a naturalization treaty, officially to change its regulations, has nevertheless now decided to permit unrestricted departure of wives and children of naturalized citizens of the United States and that suitable instructions were being sent to local authorities.

As regards treaty, was informed that matter could scarcely be discussed properly during war. I am however reporting by mail on this subject.

JAY

File No. 865.012/4

Chargé Jay to the Secretary of State

No. 501

AMERICAN EMBASSY,
Rome, May 26, 1916.

SIR: I have the honor to acknowledge the receipt of your instruction No. 333 of May 1, in regard to the general subject of the deten-

tion in Italy of American citizens of Italian origin and to the desirability of concluding a naturalization treaty.

The Department will have received my despatch No. 494 of May 9, enclosing a copy of the Foreign Office's reply to the Department's request for an official interpretation of the provisions of Article 7 of the Italian law of citizenship promulgated June 30, 1912, concerning the application of "election of nationality" on the part of persons born in the United States of unnaturalized Italian parents.

As regards the detention of the wives and children of naturalized citizens who have failed to return to Italy for military service, the Department will have seen by my telegram of May 23, No. 639, that I have now fortunately been assured by the Ministry for Foreign Affairs that such detention will no longer take place. My previous telegram and recent despatch on this special subject will have shown that I had anticipated your desire as contained in the instruction under acknowledgment that the Embassy "remonstrate earnestly" whenever such cases came to its attention. As will have been seen, the Embassy has been awaiting an occasion when it could be proved that such detention took place under the direct instruction of the central Government and not through overzeal on the part of local officials. As soon as it had obtained this proof I took up the matter most energetically, with the result that I have now succeeded in obtaining a definite promise that this quite untenable and indeed really surprising action on the part of a great European power should cease.

The question of a naturalization treaty with Italy has been constantly before the Embassy and the arguments suggested in your instruction have already been used at the Foreign Office. The Ambassador, some weeks before his departure on leave, after discussing the matter fully with the Minister for Foreign Affairs, sent him a personal letter enclosing copies of our important treaties of this nature, and at the same time drew special attention to the principle of reversion to the nationality of birth under certain circumstances which is embodied in these treaties and is well exemplified by Article 4 of our Treaty of 1868 with the North German Confederation, which you have quoted.

I have lately had long conversations with the Ministers of Brazil and Chile and the Chargé d'Affaires of the Argentine on this general subject. They all inform me that their citizens of Italian origin in Italy, whether naturalized or native-born but of unnaturalized fathers, are suffering the same fate as ours, and they were unanimous in agreeing that official action on their part was useless in view of the absence of naturalization treaties.

The Brazilian Minister informed me that he had carefully studied the question of a treaty but had come to the conclusion that it was hopeless to expect Italy to agree to one, as Brazil is prevented by her constitution from making any concessions to Italy. He stated that Brazil followed the doctrine of *jus loci*; i. e., the child of a foreigner born in Brazil is held to be Brazilian until it comes of age when it may opt its father's nationality; while Italy maintained that of *jus sanguinis* by which the child takes its father's nationality. His excellency added that he had reported as above to his Government, which has agreed with him that the matter of a treaty had better be left in abeyance.

The Chilean Minister expressed practically the same views, but as there are comparatively few Italians in Chile he was somewhat less interested in the question.

The Argentine Chargé d'Affaires informed me that the late Argentine Minister had been endeavoring for several years past to interest the Italian Government in regard to a treaty of naturalization but had met with little success. The Foreign Office, it appears, had moreover informed him that it could not discuss the matter during the present war.

My own impression is that, while it will be difficult for us to induce Italy to conclude a convention in the usual lines, it is not altogether impossible. I base this upon the fact that the United States, apparently unlike the South American Republics, is not prohibited by its constitution from conceding something: namely, the principle underlying our expatriation and naturalization acts by which a naturalized citizen may lose his acquired nationality after two years residence in the country of his origin.

I fear, however, and indeed have been informed by the permanent Undersecretary of State, Commendatore de Martino, that the Royal Government finds it "impracticable" to discuss the matter until after the war. The reason, I presume, is that Italy, like other European countries with large emigrant populations oversea, needs every available man for military service and is therefore disinclined to take any action tending to loosen the ties of nationality which binds her citizens abroad to the country of their origin.

I have [etc.]

PETER S. JAY

File No. 865.012/5

Chargé Jay to the Secretary of State

No. 504

AMERICAN EMBASSY,
Rome, May 30, 1916.

SIR: In reference to previous correspondence with regard to the military service cases of Enrico Ajello and Frank Ghiloni, I have the honor to transmit herewith translation of a Foreign Office note received today concerning both of these cases, from which it will be seen that the Minister of War reaffirms his prior decisions in cases of this nature.

His decision seems to be based upon the fact that the provisions of the law of June 13, 1912, No. 555 (this is the law promulgated June 30, 1912), are not retroactive and can not be availed of by those who became liable to military service prior to the enactment thereof.

It will be noticed that the note states that Enrico Ajello has already left Italy.

I have [etc.]

PETER S. JAY

[Inclosure—Translation]

The Ministry for Foreign Affairs to Ambassador Page

FOREIGN OFFICE,
Rome, May 29, 1916.

MR. AMBASSADOR: The Royal Minister of War has examined with the greatest possible attention the note No. 1019 of February 21 last in which your excellency has so insistently sought the release from his military obligations in

Italy of Enrico Ajello, and the Minister regrets to say that he can only confirm the previous decision of the military authorities in this case.

Ajello was born, according to our laws, as a real, true and *bona fide* Italian, and as the son of an Italian citizen. He became a foreigner during his minority by reason of his father's naturalization; but upon reaching the 20th year of his age, although at that time a foreigner, he became liable to the performance of his full military obligations, in accordance with the terms of Article 12 of our Civil Code, at that time in force but since then abrogated, which military obligations, it should be added, have up to this time been unfulfilled upon Ajello's part.

To this principle the Royal Ministry of War has never made nor has it the power to make any exceptions, and even in the case of Francesco Ghiloni, cited by your excellency, which is perfectly analogous to that of Ajello, his release was denied for the same reasons noted above.

It is of no avail to claim that Ajello had selected American citizenship, for the reason that the provisions of the law of June 13, 1912, No. 555, are not retroactive. Therefore Ajello, having become liable for the performance of his military obligations ten years before this same law went into effect, can not take advantage of the provisions of Article 12 thereof by the terms of which only those are exempted from their military obligations who have lost their Italian citizenship during their minority through the naturalization of their parents.

Upon this same principle, they can not even take advantage of Article 7, which exonerates from their military obligations, upon their formal renunciation, those who, born and residing in a foreign country, are considered by such countries citizens by birth.

In bringing the foregoing to your excellency's attention it may be opportune for me to advise your excellency that, according to the information obtainable, Ajello did not return to Naples again and seems to have succeeded in getting out of Italy, leaving his address as No. 2433 First Avenue, New York.

Pray accept [etc.]

S. SONNINO

File No. 305.117/362

Ambassador Penfield to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Vienna, June 19, 1916.

1308. Your 1215, May 8. Frank Ghiloni released and delivered to Embassy. Returns via Scandinavia. Name of steamer and date of sailing will be reported when ascertained. Request telegraphic authority to draw hundred dollars necessary expenses.

PENFIELD

File No. 865.012/4

The Secretary of State to Chargé Jay

No. 359

DEPARTMENT OF STATE,
Washington, June 30, 1916.

SIR: The Department has received your despatch No. 501, of May 26, 1916, in regard to the detention in Italy of American citizens of Italian origin, and the desirability of concluding a naturalization treaty with Italy.

Notwithstanding the assurances of the Italian Government that wives and children of Italians naturalized in this country would not be held in Italy for the purpose of compelling their husbands and fathers to return to Italy for military service, I regret to say that the Department has recently been informed of several cases in which they have been held. The appropriate consular officers have been

instructed to endeavor to obtain permission for them to depart. It is quite possible, however, that these cases had arisen before the assurances of the Italian Government, mentioned above, had been given.

If any cases are brought to your attention which arose after these assurances had been given, you will of course make further representations to the Italian Government. In such case you might suggest that general instructions in the matter be issued to the appropriate local officials. The cases in question may have been caused by overzeal on the part of such officials.

While it appears, for the reasons mentioned in your despatch, that there is little likelihood that a naturalization treaty can be concluded with Italy during the continuance of the present war, the Department will expect you to keep this important matter constantly in mind. The need of such a treaty is very great, not only for insuring protection of the rights of naturalized citizens who have done nothing to divest themselves of such rights, but also for definitely fixing the status of naturalized citizens who have returned to their native lands for permanent residence and have thus abandoned the rights obtained through naturalization.

I have [etc.]

For the Secretary of State:

ALVEY A. ADEE

File No. 365.117/377

Ambassador Page to the Secretary of State

[Telegrams]

AMERICAN EMBASSY,
Rome, July 6, 1916.

664. Department's 554, May 22. Zuffi released.

PAGE

File No. 365.117/378

AMERICAN EMBASSY,
Rome, July 6, 1916.

663. Department's 532, April 21. Military authorities refuse release Angelo Mazzei claiming if he lost Italian citizenship during his minority, in consequence father's naturalization, nevertheless, he would have been obliged perform military service in accordance provisions Article 12, Civil Code, which was in force when his class 88 was called.

PAGE

File No. 365.117/335

The Acting Secretary of State to Senator Hitchcock

DEPARTMENT OF STATE,
Washington, July 12, 1916.

SIR: Referring to the Department's letter of April 12, 1916,* and previous correspondence concerning the impressment into the Italian army of Mr. Angelo Mazzei, I have the honor to inform you that the Department is in receipt of a telegram from the American Ambassador at Rome in which he reports that the Italian military

* Not printed.

authorities refuse to release Mr. Angelo Mazzei upon the ground that he is liable to the performance of military service under the provisions of Article 12 of the Italian Civil Code.

It appears from the Department's records in this case that Mr. Angelo Mazzei was born in Italy, June 24, 1888, emigrated to the United States in the year 1904, acquired American citizenship through the naturalization of his father November 13, 1903, and left the United States for Italy in the year 1914. As you were informed in the Department's letter of May 4, 1916,* there is no treaty between the United States and Italy defining the status of former Italian subjects who acquire American citizenship through naturalization. While the Italian Government recognizes the naturalization of its subjects in foreign countries, it has invariably held that such naturalization, if obtained without the consent of the Italian Government, is no bar to liability to military service. A statement to this effect is enclosed in the Department's printed circular entitled "Notice to American citizens formerly subjects of Italy who contemplate returning to that country," a copy of which is enclosed herewith. The decision of the Italian authorities in Mr. Mazzei's case is identical with their decisions in previous similar cases, and, in the absence of a treaty arrangement, the Department has been unable to obtain the release from the performance of military service of those naturalized American citizens of Italian origin who have voluntarily placed themselves within Italian jurisdiction.

I am [etc.]

ALVEY A. ADEE

File No. 365.117/394

Chargé Jay to the Secretary of State

No. 532

AMERICAN EMBASSY,
Rome, July 14, 1916.

SIR: I have the honor to inform you that the contents of the Department's instruction No. 316 of April 10 last, relative to the release from military service of Donato De Fato, were promptly brought to the attention of the competent Italian authorities by this Embassy, which is to-day in receipt of a reply from the military authorities, transmitted through the Foreign Office, a translation of which is respectfully submitted herewith, from which it will be seen that the military authorities hold, according to the Italian laws now in force, that De Fato has reacquired Italian citizenship and that he is obliged to fulfill his military duties towards the Kingdom.

I have [etc.]

PETER S. JAY

[Inclosure—Translation]

The Ministry for Foreign Affairs to Ambassador Page

FOREIGN OFFICE,
Rome, July 13, 1916.

In response to its *note verbale* No. 1099 of May 1 last, the Royal Ministry for Foreign Affairs has the honor to inform the Embassy of the United States of America that the Ministry of War finds itself unable to consent to the release

* Not printed.

from military service and to the return to the United States of Donato De Fato, the son of Joseph De Fato.

The military authorities observe that, although this young man (who belongs to the class of 1890) became a foreigner in 1893 because of the naturalization of his father in the United States of America, nevertheless, according to the provisions of Article 12 of the Code of Civil Procedure, which was in force at the time his class was called to the colors, he still remained amenable to the performance of his military obligations to the State.

The Royal Ministry of War adds, moreover, that after De Fato's residence in Italy for a period of two years, computed from the day on which the new Citizenship Law of June 13, 1912, No. 555, went into effect, he has reacquired Italian citizenship in accordance with the terms of Article 9, No. 3 of the said law.

File No. 365.117/397

Chargé Jay to the Secretary of State

No. 534

AMERICAN EMBASSY,

Rome, July 17, 1916.

SIR: The contents of the Department's instruction No. 339 of May 19 last were promptly brought by this Embassy to the attention of the Royal Italian Ministry of Foreign Affairs, which Ministry, under date of July 15, replies as follows:

In response to its *note verbale* No. 1150 of June 14 last, the Royal Ministry for Foreign Affairs regrets very much to inform the Embassy of the United States of America that the Ministry of War does not find that it will be able to consent to the release from military service of Bartolomeo Licciardo, it being held by the military authorities that this naturalization as an American citizen in 1914 and his consequent loss of Italian citizenship, does not exempt him from the performance of his military obligations in the Kingdom of Italy, according to the interpretation of the provisions of Article 8 of the Citizenship Laws of Italy, now in force.

I have [etc.]

PETER A. JAY

File No. 365.117/384

The Acting Secretary of State to Ambassador Page

[Extract]

No. 370

DEPARTMENT OF STATE,

Washington, July 25, 1916.

SIR: The Department has recently had correspondence with Mr. G. Giomi, of 407 North Fourth Street, Albuquerque, New Mexico, concerning the impressment into the Italian army of his son. With a letter of July 14, 1916, Mr. Giomi sent to the Department a certificate of naturalization issued to him April 4, 1892, by the Second Judicial District Court of the Territory of New Mexico, the baptismal certificate of his son, Hostilio, which states that he was born at Albuquerque, New Mexico, December 31, 1889, and an affidavit in which he states that his son resided continuously in the United States with the exception of a short visit of about nine months duration to Italy in the year 1910; that in August 1914 he left the United States with his wife and two children to go to Lucca, Italy, for the benefit of his health, and that he was subsequently impressed into the Italian army.

The Department desires that you present this case to the Italian Foreign Office and request that Hostilio Ghioni be released from the performance of military service and allowed to return to the United States with his family. In presenting this case to the Foreign Office you will call particular attention to the fact that Mr. Ghioni has resided nearly all of his lifetime in the United States and has, by his continuous residence in this country, made a practical election of American citizenship.

I am [etc.]

FRANK L. POLK

File No. 365.117/393

Ambassador Penfield to the Secretary of State

[Telegram]

AMERICAN EMBASSY,

Vienna, August 2, 1916.

1366. German passport office now state under instructions its Government unable visé passport Ghiloni. Facts case were fully explained. Requests instructions.

PENFIELD

File No. 365.117/393

The Acting Secretary of State to Ambassador Gerard

[Telegram]

DEPARTMENT OF STATE,

Washington, August 7, 1916.

3267. Frank L. Ghiloni, born Marlboro, Massachusetts, August 4, 1885. Father native Italian naturalized February 12, 1886. Frank resided United States continuously, with exception ten years spent in Italy during early childhood. In June 1914 he went to Italy for health and was impressed army. Pending result negotiations with Italian Government for his release he was captured by Austrians. Upon presentation facts Austrian Government agreed release Ghiloni and allow him return United States upon assurance that he would remain in United States during continuance war.

Ambassador, Vienna, reports German passport office, Vienna, refuses visa Ghiloni's passport. Present case fully to Foreign Office and say this Government hopes permission may be granted Ghiloni return United States via Germany. Emphasize fact he was impressed into army against his will. Report soon as possible.

POLK

File No. 365.117/418

Ambassador Gerard to the Secretary of State

[Telegram]

AMERICAN EMBASSY,

Berlin, September 2, 1916.

4296. Foreign Office writes August 31 Ghiloni not permitted cross Germany. They suggest application to Austrian authorities permission return via Switzerland.

GERARD

File No. 365.117/418

The Secretary of State to Minister Stovall

[Telegram]

DEPARTMENT OF STATE,
Washington, September 6, 1916.

298. Department requesting permission Austrian authorities allow Frank Ghiloni now detained Austria to return United States via Switzerland. If permission granted Ghiloni will surrender passport now held and apply your office for emergency passport return United States via France. Issue. He will explain case.

LANSING

File No. 365.117/235

The Secretary of State to Senator Hitchcock

[Extract]

DEPARTMENT OF STATE,
Washington, September 8, 1916.

MY DEAR SENATOR HITCHCOCK: I have received your letter of July 19, 1916,^a in reply to this Department's letter of July 12, concerning the case of Angelo Mazzei. You say that you have noted that the Italian authorities decline, in the absence of a treaty arrangement, to recognize Mazzei's rights of American citizenship, and you add that the Department seems "to acquiesce in this decision of the Italian authorities." After making certain observations concerning the provisions of Sections 1999, 2000 and 2001, of the Revised Statutes of the United States, concerning the protection in foreign countries of naturalized American citizens, you express your opinion that "it is the duty of this Government to demand the release of Angelo Mazzei to make an issue of the right of this Government to protect him as an American citizen."

Before replying to your letter, I have had the correspondence between the Department and the Embassy at Rome, relating not only to the present case but also to the whole subject involved, carefully reviewed.

[References to pertinent items of the correspondence here printed.]

The Department has not acquiesced in the position taken by the Italian Government in the case of Angelo Mazzei, but, on the contrary, has interposed in his behalf in an endeavor to obtain his release from the Italian Army. The position taken by the Department in this case, as indicated by the representations made to the Italian Government by the Ambassador at Rome, is the same as the position which has uniformly been taken by this Government in recent years with relation to cases of the same kind. However, the Italian Government has declined to concede the demands of this Government in the case of Angelo Mazzei, as it has always done in cases of the same kind which have arisen in the past. The situation involves a conflict between the laws of the United States and the laws of Italy, and since Angelo Mazzei has voluntarily placed himself within the jurisdiction of Italy, the Italian Government has

^a Not printed.

applied to him the requirements of the Italian law. While the Italian Government apparently does not deny the right of Italian subjects to obtain naturalization as citizens or subjects of other countries, it seems to regard as accrued the obligation of an Italian-born subject to military service at the time of his naturalization in a foreign country without the consent of the Italian Government. In view of this fact, and inasmuch as the United States has thus far been unable to conclude a naturalization treaty with Italy, the Department has been unable, in spite of earnest representations in behalf of Angelo Mazzei, to obtain his release from the Italian Army.

Since the outbreak of the present war, the Department has been informed of several cases in which naturalized American citizens have been impressed into the armies of belligerent countries. In all cases which have been brought to the Department's attention, it has instructed its diplomatic officers to call the attention of the Governments of the countries concerned to the naturalization in this country of the persons in question, and to ask for their release as American citizens. The representations of this Government in behalf of naturalized citizens of the United States, born in countries with which the United States had concluded naturalization treaties, have been successful; but otherwise its representations have not been successful. The whole subject involved has long been a subject of controversy between this country, on the one side, and France, Russia, Turkey and other European countries, as well as Italy, on the other, and it does not appear that a satisfactory arrangement of the matter can be reached except through the conclusion of adequate treaties of naturalization, similar to those which have been concluded with Austria-Hungary, the German States and Great Britain.

The subject of the conclusion of a naturalization treaty between the United States and Italy has several times in recent years been presented to the Italian Government through the Embassy at Rome. An effort was made to obtain a naturalization treaty with Italy in 1907, and again in 1911, and the present Ambassador at Rome has repeatedly and most earnestly brought the matter to the attention of the Italian Government in an endeavor to enter into definite negotiations for a naturalization treaty under which cases similar to that which you have brought especially to the Department's attention could be settled to this Government's satisfaction. The Ambassador has informed the Italian Government particularly of the feeling which arises in this country over cases such as that of Angelo Mazzei, but, as yet, his representations have not prevailed upon the Italian Government to enter into definite negotiations for a naturalization treaty.

In an instruction, No. 333, of May 1, 1916, to the Ambassador at Rome, the Department said:

I desire that you continue to avail yourself [etc., to the end of the instruction, except the last paragraph].

I am sending the Ambassador at Rome instructions to take the matter up again with the Italian Foreign Minister and to make an endeavor to enter into definite negotiations for a treaty of naturalization, modeled upon existing treaties of naturalization.

I am [etc.]

ROBERT LANSING

File No. 365.117/452

Ambassador Page to the Secretary of State

[Extract]

No. 566

AMERICAN EMBASSY,
Rome, October 14, 1916.

SIR: In reply to the Department's instructions No. 370 of July 25 last, relative to the release from the Italian army of Hostilio Carlo Giomi, I have the honor to transmit herewith a translation of a Foreign Office note received to-day containing the decision of the military authorities, refusing to grant the release requested for the reasons set forth in that note.

I have [etc.]

THEOS. NELSON PAGE

[Inclosure—Translation]

The Ministry for Foreign Affairs to Ambassador Page

FOREIGN OFFICE,
Rome, October 13, 1916.

In reference to its note No. 1229 of August 17 last, the Royal Ministry for Foreign Affairs has the honor to bring to the notice of the Embassy of the United States of America that it has to-day been advised by the Ministry of War that the competent military authorities of the Kingdom regret very much not to be able to consent to the release from military service of Hostilio Carlo Giomi, born in New Mexico, U. S. America, in 1889, in whose case the American Embassy has interested itself.

The military authorities of the Kingdom hold that, while this young man may have lost his Italian citizenship during his minority in consequence of the naturalization of his father as an American citizen, which was obtained in the United States in 1892, the son, nevertheless, is subject to military obligations in Italy, in accordance with the explicit provisions of Article 12 of the Civil Code which was still in full force and effect at the time the class to which the son belonged was called upon for service in the Italian army.

File No. 365.117/443

Ambassador Penfield to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Vienna, October 27, 1916.

1501. To-day again pressed case of Frank Ghiloni and have promise of prompt decision. Baron Burian said he believed decision would be rendered permitting Ghiloni's departure via Switzerland but he must undergo the customary two days detention at frontier.

PENFIELD

File No. 365.117/459

Ambassador Page to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Rome, November 17, 1916.

733. Department's 324, April 18. Military authorities hold that, while Orocchi may have lost Italian citizenship during minority

owing to naturalization his father, nevertheless, this fact does not exempt him from military obligations towards Kingdom according to Article 12, Civil Code, held to be applicable in his case.

NELSON PAGE

File No. 365.117/469

Ambassador Penfield to the Secretary of State

[Telegram]

AMERICAN EMBASSY,

Vienna, December 2, 1916.

1559. The Austro-Hungarian Government has consented to repatriation Frank Ghiloni via Switzerland and France. War Office expresses the hope necessary arrangements be made for his uninterrupted return.

PENFIELD

File No. 365.117/469

The Secretary of State to Ambassador Sharp

[Telegram]

AMERICAN EMBASSY,

Washington, December 8, 1916.

1871. In 1914 Frank Ghiloni, a native American citizen domiciled in this country, was impressed into the Italian army because his father was native Italian. In November 1915, Ghiloni was captured by Austrians. Austrian Government will permit him to leave Austria in order to return to this country via Switzerland and France. Present facts to French authorities and ask whether Ghiloni will be permitted to pass through France on American passport without molestation.

LANSING

File No. 365.117/475

Ambassador Sharp to the Secretary of State

[Telegram]

AMERICAN EMBASSY,

Paris, December 28, 1916.

1765. Your 1871, December 8. Foreign Office informs me matter has been referred to competent department of the Government which has not yet replied. Will hasten answer as much as possible.

SHARP

JAPAN

TREATY BETWEEN JAPAN AND RUSSIA GUARANTEEING THE TERRITORIAL RIGHTS AND SPECIAL INTERESTS OF EACH IN THE FAR EAST

File No. 781.94/93

Ambassador Guthrie to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Tokyo, April 7, 1916, 2 p. m.

The *Nichi Nichi* on the fifth instant published the statement that the terms of an alliance between Japan and Russia had now been agreed upon and would be signed as soon as negotiations in regard the amount of munitions to be supplied to Russia are settled. Main features of alliance as follows:

(1) Russia cedes to Japan the Chinese Eastern Railway up to some point south of Harbin.

(2) Japan to supply arms and munitions to Russia within the limits of her manufacturing capacity.

(3) Russia to accord liberal [apparent omission] to Japanese residents of Eastern Siberia, Northern Sakhalin and zone of the Chinese Eastern Railway.

(4) Russia to make Vladivostok a commercial port and to make no military preparation calculated to cause misunderstanding with Japan.

(5) Japan and Russia to respect each other's interests in Manchuria and Mongolia, and Japan to render assistance to Russia at the request of the latter in case [apparent omission] should break out within the sphere of influence of Russia during the present war.

(6) Russia to recognize free action of Japan in case the latter shall take necessary measures for the preservation of peace and order in conformity with the principle of the maintenance of territorial integrity and equal opportunity, and Russia to take cooperative action with Japan at the request of the latter in case it is necessary for Japan to cope with the interference from a third power with Japan's action.

The Foreign Office immediately denied this and prohibited transmission of statement abroad. Yesterday the Premier issued an interview reiterating this denial but substantially admitting that he expected soon to complete an alliance with Russia with the approval of Great Britain, the terms of which would guarantee peace in the Far East, territorial integrity of China and policy of equal oppor-

tunity in trade. General view here is that treaty is near completion and that *Nichi Nichi* forecast approaches what Japan is seeking. I have just heard that Premier has retracted his interview but it is believed that the retraction is merely perfunctory.

GUTHRIE

[NOTE.—The above telegram was transmitted to the Embassies at Paris (No. 1460) and London (No. 3162), and to the Legation at Peking (April 5, 1916, 5 p. m.).]

File No. 761.94/93

The Secretary of State to Ambassador Francis

[Telegram]

DEPARTMENT OF STATE,
Washington, April 18, 1916, 6 p. m.

790. The Embassy at Tokyo recently reported publication in Japan of terms of an alliance between Russia and Japan. Although Foreign Office denied report the Embassy believed such a treaty about to be signed. Discreetly ascertain the facts if possible. Telegraph outline terms agreed upon or proposed.

LANSING

File No. 761.94/94

Chargé Dearing to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Petrograd, April 24, 1916, 6 p. m.

518. Department's 790, 18th, received 23d. During interview this afternoon Sazonow admitted that agreement between Japan and Russia contemplated. He stated that no agreement yet in existence or in any way reduced to terms, and said, in view of great unrest in China, uncertainty of future, and cordial and growing *rapprochement* between Japan and Russia, treaty would be one of mutual guaranties but would not disadvantageously affect the interests of third countries. He spoke frankly but guardedly, and my impression is that terms are fairly well defined. If later it is possible to learn what they are Embassy will telegraph them to Department. Embassy suggests possibility of learning something with regard to this agreement through Peking Legation and feels that, despite assurances of Minister, our open door policy makes it necessary for us to judge whether the contemplated agreement will in any way infringe upon American rights. Will Department please reply by telegraph terms¹ of agreement as published in Japan for this Embassy's guidance in its future inquiries.

DEARING

¹ Terms transmitted to the Embassy at Petrograd in telegram No. 801, April 28, 1916, 4 p. m.

File No. 761.94/97

Ambassador Guthrie to the Secretary of State

[Extract]

No. 549

AMERICAN EMBASSY,
Tokyo, June 30, 1916.

SIR: I have the honor to state that the leading vernacular newspapers of today report that negotiations at Petrograd looking to the conclusion of a Russo-Japanese convention are proceeding favorably, and that the signature thereof is expected in the near future.

The *Jiji Shimpo* makes the following statement in regard to the alleged terms of the convention:

It is based upon the idea that in case the action of a third power (this refers to Germany) endangers the special rights and interests of Japan and Russia in China, Japan and Russia will take joint measures to check such action. It also enunciates, in consonance with the spirit of the Anglo-Japanese Alliance, the principle of the preservation of the territorial integrity of China.

The newspapers further report that negotiations for the sale to Japan of a part of the Chinese Eastern Railway are now rapidly progressing toward a satisfactory conclusion.

The *Nichi Nichi Shimbun* states that, while Japan desired the entire line between Changchun and Harbin, it has been decided to limit the transfer to the section between the former city and the Second Sungari Station, a distance of somewhat more than 75 miles, and that memoranda in this sense have, apparently, already been exchanged between Baron Motono and the Russian Government. The price is reported to be 14,000,000 yen.

The same journal says that Russia has agreed to the sale in appreciation of the assistance rendered by Japan in undertaking the supply of war materials.

I have [etc.]

GEO. W. GUTHRIE

File No. 761.94/98

Ambassador Guthrie to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Tokyo, June 30, 1916, noon.

I am informed that the Privy Council yesterday approved Russo-Japanese convention and that Foreign Office states that announcement will be made simultaneously at Petrograd and Tokyo and that terms given by papers are incorrect.

GUTHRIE

File No. 761.94/99

Ambassador Francis to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Petrograd, July 7, 1916, [Received July 8, 4:50 a. m.]

642. Following in today's *Novoe Vremya*.

The Imperial Russian Government having decided to unite their efforts for the maintenance of constant peace in the Far East make the following agreement:

Article I. Russia will not take part in any agreement or political union directed against Japan. Japan will not take part in any agreement or political union directed against Russia.

Article II. In such cases when the territorial rights or special interests in the Far East of one of the contracting parties is considered by the other contracting party as being threatened by some danger Russia and Japan will agree between each other as to the necessary measures to be taken with regard to helping each other and cooperating mutually for the defense and protection of the said rights or interests. In confirmation of the above the undersigned, being authorized by their separate Governments, have signed this convention, fixing their seats thereto. Concluded at Petrograd July third, 1916. Signed: Sazonoff and J. Motono, Japanese Ambassador.

FRANCIS

File No. 761.94/98

Ambassador Guthrie to the Secretary of State

[Telegram—Extract]

AMERICAN EMBASSY,
Tokyo, July 7, 1916, midnight.

The Foreign Office this afternoon issued to the press the following statement of the settlement of the Russo-Japanese convention signed at Petrograd on July 3:

Article I. Japan will not become a party to any political arrangement or combination directed against Russia.

Russia will not become a party to any political arrangement or combination directed against Japan.

Article II. In case either the territorial rights or the special interests in the Far East of one of the contracting parties, recognized by the other contracting party, should come to be menaced, Japan and Russia will confer in regard to the measure to be taken with a view to mutual support or cooperation for the safeguarding and defense of these rights and interests.

GUTHRIE

File No. 761.94/98

The Acting Secretary of State to Ambassador Guthrie

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, July 8, 1916.

Your July 7, midnight. Department deeply interested, and awaits for its confidential information detailed report by mail showing Embassy's interpretation of treaty. Any further statements Foreign Office may issue defining the purpose, scope and intent of treaty should be telegraphed.

POLK

File No. 761.94/108

Consul General Heintzleman to the Secretary of State

[Extract]

No. 132

AMERICAN CONSULATE GENERAL,
Mukden, July 11, 1916.

SIR: I have the honor to report that, according to recent Tokyo telegrams appearing in the semiofficial *Manchuria Daily News*, the Russo-Japanese negotiations, which had been long known to be

proceeding in Petrograd on questions growing out of the conflict of interests in Manchuria and Eastern Siberia, and which had received a stimulus from the visit in January last of the Grand Duke George Michaelovitch to Tokyo, have resulted in a convention which was signed in the Russian capital on the 3d instant. Aside from the secret provisions, the text of the convention, as announced in the local press, is as follows:

For the maintenance of the general peace in the Far East, Japan and Russia have agreed upon the following provisions:

Article I. Russia and Japan shall neither conclude any political convention nor join in any arrangement of a political nature directed against the interests of either contracting party.

Article II. In the event of the territorial rights of the special interests of either contracting party in the Far East being menaced, Russia and Japan shall consult each other regarding the measures to be taken to the end of protecting and defending such territorial rights and special interests.

The Japanese journal above referred to points out that Japan's "special interests" comprise, among others, the administration of the Kiaochow leasehold, the declaration concerning the non-alienation of Fukien Province, and the preferential rights in South Manchuria and Eastern Inner Mongolia, as acquired by virtue of the Sino-Japanese treaty of 1915.

Other provisions of the convention, as given in the press, are more specific than those contained in the text formally handed out for publication, and may perhaps contain the purport of the so-called secret clauses of the convention. In the local Japanese press they are made to read as follows:

The contracting parties shall take concerted action for the protection of their special interests in China and Siberia in the event of a third power infringing upon those interests.

The subjects of both contracting parties shall be entitled to freedom of residence and trade in Siberia and also in the Russian and Japanese spheres of influence in Manchuria and Mongolia.

Supplementary Clauses:

1. Navigation on the Sungari River shall be opened to the participation of Japanese subjects.

2. Japan shall continue to supply munitions to Russia.

3. Transfer to Japan of the section of the Chinese Eastern Railway between the Sungari River and Kwanchengtzu.

Japan's claim to participation in the navigation of the Sungari River, which has hitherto been exclusively enjoyed by Russian subjects, shows Japan's intention to push her commerce and communications to the Amur River by way of its Manchurian tributaries. Japan's colonization in North Manchuria and in the Primorsk has become a political question of considerable acuteness.

The portion of railway to be transferred to Japan is the southern half of the Harbin-Kwanchengtzu section. It is about 70 miles in length and has nine stations, the northernmost being Laoshakou, situated about 4 miles south of the Sungari River. Both Kwanchengtzu and Yaomen have extensive station areas. This section of railway serves the richest bean producing belt in Manchuria, and it was this fact that made its transfer so desirable to Japan. I have already in despatches to the Department described the freight com-

petition which has for years been waged between the Chinese Eastern and South Manchuria railways in order to attract produce to their respective outlets. Vladivostok and Dairen. The Sungari River, which now marks the junction of the two railways, runs approximately midway between the two ports and the Japanese believe there can be no longer an unnatural and harmful rate war.

According to a high official of the Japanese Government railways, as reported in the press, the price to be paid for the section in question is roubles 10,000,000, or at the prevailing rate of exchange about \$3,000,000 gold. The gauge will have to be altered. In order to avoid any suspension of traffic, a new single line of rails inside the track will adapt it to the operation of the standard gauge rolling stock. Terminal stations will have to be erected on the southern bank of the Sungari River and arrangements effected to facilitate the transfer of passengers and freight. The funds required for these alterations and improvements are put at about \$1,000,000 gold.

It is not known when the transfer will take place. There are indications, however, pointing to the lapse of about a year before the conveyance is effected. In the meantime, the Japanese Government will make preparations therefor. The South Manchuria Railway Company will most likely assume the management of the section, and upon doing so will draw up plans for the operation of the new acquisition and set about converting the track to the same standard as the other lines under its management. There is in Japan a supply of only about 40 miles of rails to spare, so that stock for the remaining 30 miles will have to be purchased. Also, for the proper working of the new section at least 150 additional freight cars and six or seven more locomotives will be required. As showing the intense activity of this company in railway matters alone, not mentioning its increasing interest in varied allied enterprises in South Manchuria, it may be added that the South Manchuria Railway Company has under way the construction of the Ssuningkai-Chengchia-tun railway in addition to the intended improvement of the Kirin-Changchun line.

As to the terms of the secret agreement between Japan and Russia, which, according to the press, embodies the most important features of the convention, only so much has leaked out that it is to contain the fundamental outlines, according to which the intricate working of an offensive and defensive alliance shall be conducted. It is stated that it relates only to questions concerning China. The whole convention is concluded for a period of ten years, subject to renewal, but in case one of the contracting parties is at war at the date fixed for its termination, it is to continue until peace is restored.

This convention cannot create any surprise. It only discloses the weakened position of Russia in the Far East. That this is a diplomatic victory for Japan, who has not conceded anything on her part, is to be seen from the following inevitable result: The extension and strengthening of the political and strategic lines of the Japanese sphere of interests; on the other side the restricting of Russia's liberty of action in her sphere of interests and even in her territorial possessions in Eastern Asia, which may be taken as an unconditional surrender of her rights in the face of an ever increasing Japanese lust of conquest. The enormous economic advantages which in this manner are gained by Japan cannot thus early be com-

prehended in their far-reaching consequences. The special announcement in the Tokyo telegrams that Japan in no way obligates herself to send troops to Europe only proves how completely Japan has imposed her will on a defeated opponent.

The interpretation of the secret convention is left to the speculation of the uninformed, but one will not fail by assuming that the Japanese statesmen have considered some concession on their part necessary, and, to avert later counterpressure, have most probably guaranteed support to Russia in her future advance toward "warm-water", but in a direction which would redound still further to Japan's advantage. * * *

Whether Japan, on the basis of this convention, will really gain Russia's friendship and support is more than doubtful. There are several conditions making against it—the existence of inner feelings of suspicion and distrust on the part of the one toward the other, and the absence of a real mutual understanding. It is hardly to be seen how a convention, which is dictated under pressure, can inspire a friendly spirit. The totally different circumstances in which the two powers are situated at present should not be overlooked—while Russia is fighting and spending her energy in Europe, Japan's political and economic conditions are flourishing. But it would be well to point out that the Japanese have no illusions as to the misunderstandings and friction which will occur in the operation of the terms of this convention; at the same time China will also, as a result of this new *rapprochement* of her powerful neighbors, probably have to change her attitude toward the contracting parties.

This new convention, so far as its terms are known, seems to supplement and broaden in scope the Russo-Japanese Convention of July 30, 1907,² and the Agreement of July 4, 1910.³ All these compacts relate primarily to Manchuria. In fact the real explanation of Japan's place on the continent of Asia is to be found in the history of the question of Manchuria, a term in which all discussion of Russo-Japanese affairs ends. It is regrettable that Japan and Russia in this new international instrument have not seen fit to reiterate their recognition of the independence and territorial integrity of China and of the principle of equality of opportunity for all nations in that country. * * *

I have [etc.]

P. S. HEINTZLEMAN

File No. 761.94/98

The Acting Secretary of State to Ambassador Guthrie

[Telegram]

DEPARTMENT OF STATE,
Washington, July 13, 1916, 6 p. m.

Has Embassy any reason to believe that there are other matters embraced in the new Russo-Japanese treaty in addition to the two paragraphs quoted in your July 7, midnight? Has Embassy received any assurance that full text of treaty will be published?

² For. Rel. 1907, p. 765.

³ For. Rel. 1910, p. 865.

Telegraph Department any important developments and whether, in your opinion, any American rights are likely to be impaired.

POLK

File No. 761.94/105

Ambassador Francis to the Secretary of State

[Telegram]

AMERICAN EMBASSY,

Petrograd, July 14, 1916, 3 p. m.

653. Had conference with Sazanoff re Japanese treaty. Asserts America has no occasion for fear or suspicion in that connection, in fact will be beneficiary therefrom as treaty will prevent Germany from competing as in past with America, England and France for Chinese trade. Profuse in expression of friendship for America. Announced willingness making a statement through Associated Press to allay all suspicion in America. Sent Associated Press representative immediately for interview which was promised to-day. Unable to learn details of protocol * * *.

* * * I shall advise you if further developments. Treaty criticized by many Russians who distrust Japanese preferring closer American commercial relations. Minister claims treaty will maintain and strengthen the open door of China as evidenced by England's approval thereof. Impression prevails Russia forced to execution of treaty now which it preferred to defer until war terminated but Japan insisted on immediate necessity consummation.

FRANCIS

File No. 761.94/104

Ambassador Guthrie to the Secretary of State

[Telegram—Extract]

AMERICAN EMBASSY,

Tokyo, July 16, 1916, 3 p. m.

I have just learned that Baron Ishii read to the British Ambassador the provisions of the new Russo-Japanese treaty agreed upon but not published. These relate to the transfer of about 75 miles of railroad from Changchun as far as the second Sungari station; fishing rights on coast of Manchuria heretofore reserved exclusively by Russia; right of navigation on Sungari River. As this river belongs to China there is a further provision that China is to be squared.

Points included in communication made to British Ambassador have been published in Japanese newspapers with the statement that, although they have been agreed upon in principle, publication has been delayed because some of the conditions affecting transfer of railroad and the consent of China to the grant of the Sungari River had not yet been obtained. From present information it would appear that conditions of transfer have been agreed upon and the agreement signed, leaving the question with China to be squared with her. I am informed that British Ambassador believes that the whole treaty has been sent to London from Petrograd and is satisfied British trading rights are not affected. Terms officially an-

nounced are more specific but do not go much beyond, if at all, the terms of Convention of July fourth, 1910. An official publication of the treaty has been made in the *Official Gazette* identical with terms stated in my telegram of July 7, midnight. The convention strengthens Japan's position somewhat, but so far as I have yet learned there is nothing which directly affects American rights. The communication to the British Ambassador inclines me to the belief that there is nothing else held back.

GUTHRIE

File No. 761.94/106

Minister Reinsch to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Peking, July 17, 1916, 7 p. m.

Russo-Japanese convention is interpreted in Chinese circles as a temporary yielding of Russia to Japanese pretensions and in that sense unfavorable to China. The general opinion is that the convention will be used by Japan to impress upon Great Britain that Japan is not dependent on her, and on the Chinese Government that the European Powers will not oppose Japanese policy in China; but by way of specific effect not much is expected, as the treaty contains only indefinite engagements, actual bearing of which will depend upon future conditions. If, as reported, the secret article undertakes guarantee mutual individual rights of residence, et cetera, practically all Manchuria, Mongolia, it must be said that such can be granted only by Chinese Government.

The Legation has hitherto assumed that Americans, under the most favored nation clause, have a right to enjoy privileges accorded Japanese residing in Manchuria. Do you acquiesce this view?

REINSCH

File No. 761.94/109

Ambassador Guthrie to the Secretary of State

[Extract]

No. 562

AMERICAN EMBASSY,
Tokyo, July 17, 1916.

Referring to my telegram of the 7th instant, 12 p. m., transmitting a statement of the substance of the Russo-Japanese Convention, as issued to the press by the Foreign Office on that date, I have the honor to state that the full text was published in the *Official Gazette* on the 8th and to forward herewith a copy of the French version.

The wording of the two articles of the convention is the same as that contained in my telegram, and the only addition is the preamble, which states that the two Governments are resolved to unite their efforts for the maintenance of permanent peace in the Far East.

The vernacular newspapers also report that agreements supplementary to the convention have been concluded, by which Russia

will sell to Japan the section of the Chinese Eastern Railway between Changchun and the second Sungari station, and will extend to Japanese the right of navigation on the Sungari River, which by the Treaty of Aigun (1854) had been reserved exclusively to Russian and Chinese subjects.

This report is substantially confirmed by a public statement of the Department of Agriculture and Commerce, published in the newspapers of the 9th instant, discussing the commercial benefits to be derived by Japan from these two concessions. It appears to be generally understood that the compensation for the railway will take the form of supply of war materials.

It is stated in the press that the announcement of these agreements has been delayed, pending the settlement of certain details, such as the valuation of the section of the railway to be transferred, the disposition of the private rights of Russian subjects engaged in navigation on the Sungari, et cetera, and also pending the formal consent of China to the assignment of the concessions in question.

The *Yamato Shimbun* and the *Yorozu Choho* report that Japan will further secure the right of fishery on the coast of the Maritime Provinces. The latter paper, moreover, surmises that Russia has also decided to deliver to Japan in payment for munitions the unredeemed balance of its Boxer indemnity bonds.

Some of the newspapers allege that Japan tried to secure the entire railway line between Changchun and Harbin, as well as the cession of the northern half of Saghalien, but that Russia declined to accede to these proposals.

A number of the newspapers had published reports of the existence in the convention of secret terms, in regard to the nature of which they had made various speculations. One of the clauses which they had supposed to be secret turned out to be in substance the same as Article II of the published agreement. Other items which one or another of the papers alleged to be confidential parts of the treaty were: (1) a definition of the respective positions and interests of the two nations in Manchuria and Mongolia, (2) mutual consent to the residence and trade of the subjects of the one within the sphere of influence of the other, and (3) a stipulation not to extend beyond the present limits the military preparations at Maizuru and Vladivostok.

However, subsequent to the publication of the convention on the 8th instant, the leading newspapers profess to have come to the conclusion that there are no secret terms, that the previous reports in regard thereto are wholly unfounded.

The convention is regarded as the natural culmination of the increasing rapprochement between Japan and Russia during the past ten years, first expressed in the convention of 1907 and later in that of 1910, and finally brought to its full realization through their cooperation in the present war. It is also accepted as an evidence of the perfect community of the interests of the two nations.

The Japanese people and press, government and opposition, unite in welcoming the new convention as an event scarcely second in importance to the conclusion of the Anglo-Japanese Alliance. While stating that it is not so explicit in wording, and quite simple in

form, most of the newspapers regard it as tantamount in spirit and effort to a defensive alliance between the two nations.

In the opinion of the press this convention, by guaranteeing the permanent preservation of the *status quo* in Manchuria and Mongolia, and by insuring one party against the formation of hostile combinations by the other, removes all reason for another armed conflict between the two Powers, and thus excludes another apprehended cause for the disturbance of peace in Eastern Asia.

The newspapers and business men also foresee in the new era of intercourse between the two countries opened by the convention, a development of their economic relations, an extension in the exchange of their products, and a consequent encouragement of their industrial progress.

The consensus of opinion in the newspapers is that the Anglo-Japanese Alliance, the Russo-Japanese Convention and the Franco-Japanese Entente will henceforth furnish a triple guarantee of the preservation of peace in the Far East, the protection of the territorial integrity of China, and the safeguarding of the open door and equal opportunity.

The new convention is also regarded as another link in the bond uniting the Allies in the present war, and as a notice to Germany of their determination to cooperate to the end.

Referring to the bearing of the convention upon relations with other Powers, the *Jiji* says that there is no fear of collision with England, France or America, because they are all parties to agreements with Japan for the preservation of peace in the Far East, and are either allied with or friendly to Russia.

The Japanese newspapers are irritated by the charges reported to have been made by a section of the American press against the motives of Japan and Russia in concluding the present convention. They refute the assertion that it impairs American interests in the Far East, that it menaces the sovereignty of China, or that it endangers the stability of the Anglo-Japanese Alliance.

The Japanese press assures America that the agreement which has just been signed is, on the contrary, calculated to uphold the very interests and principles affecting the Far East to which that country, in common with the other Powers, stands pledged.

I have [etc.]

GEO. W. GUTHRIE

[Inclosure—Translation]

Text of Russo-Japanese Treaty

The Imperial Japanese Government and the Imperial Russian Government resolved to unite their efforts to maintain permanent peace in the Far East, have agreed upon the following:

Article I

Japan will not become a party to any political arrangement or combination directed against Russia.

Russia will not become a party to any political arrangement or combination directed against Japan.

Article II

In case either the territorial rights or the special interests in the Far East of one of the contracting parties, recognized by the other contracting party, become menaced, Japan and Russia will confer upon the measures to be taken with a view to mutual support and cooperation for the safeguarding and defense of these rights and interests.

In faith whereof, the undersigned, duly authorized by their respective Governments, have signed this convention and have affixed their seals thereto.

Done at Petograd, the third day of the seventh month of the fifth year of Taisho, corresponding to July three/June twenty, one thousand nine hundred and sixteen.

I. MOTONO
SASONOW

File No. 761.94/110

Ambassador Guthrie to the Secretary of State

[Extract]

No. 563

AMERICAN EMBASSY,
Tokyo, July 18, 1916.

In compliance with the Department's telegraphic instruction of July 13, 6 p. m., and supplementing my No. 562 of the 17th instant, I have the honor to state that the new Russo-Japanese convention as published in the *Official Gazette*, is but little, if anything, more than a reaffirmation of the Convention of July 4, 1910. It may afford moral support to Japan as showing Russia's continued determination to adhere to that convention, but as officially published it does not appear to change present conditions (on the assumption that the former convention was still in force) or injuriously to affect America or American interests in the Far East.

My cable of July 16, 3 p. m. shows that the British Ambassador does not consider that British trade interests are affected.

This opinion is strengthened by the reported declaration of the Prime Minister, Marquis Okuma, that there is no intention to depart from the policy of the open door, which he made in connection with the publication of the terms of the treaty as signed.

The convention appears to contain only two clauses, in the first of which the two parties agree that neither will become a party to any "political arrangement or combination" directed against the other; and in the second they agree that in case the "territorial rights or special interests in the Far East" of one party, recognized by the other, be menaced, they will "consult" as to the measures to be taken "with a view to mutual support."

When these articles were given out here it was rumored that Russia had agreed in principle to the transfer to Japan of about 75 miles of its railroad between Changchun and the second Sungari station, of fishing rights on the Siberian coast, and of certain rights of navigation on the Sungari River (rights granted to Russia by China), but the exact terms and conditions of the transfer had not yet been arranged and particulars were therefore withheld for the present.

We now have confidential information that these matters have been finally agreed to and the conventions signed, subject, however, to some settlement with China as to navigation rights on the Sungari River.

It was understood that the convention was complete in itself and that there were no secret clauses unless the additional provisions are to be so regarded; and this is now accepted as true by the Japanese press, although at first it was disposed to suggest that there were some provisions which gave Japan greater and more specific assurances of support.

Of course, there is the possibility that there was some agreed definition of what "territorial rights and special interests" were "recognized" by both parties, which might be objectionable to the United States, but I cannot get any evidence of it.

As already stated, however, the public impression is that there are no secret provisions; and it is to be observed that the convention of July 4, 1910, differs only in that it refers to the *status quo* as the object to be maintained, while the present one refers to rights and interests "recognized" by the two parties.

In this connection it is significant that when the articles agreed on were first given out by the Foreign Office they were numbered respectively 17 and 18, indicating that they were copied from a document containing at least eighteen paragraphs. This would seem to indicate that something more had been sought, or at least discussed, but had not been agreed to.

An agreement to "consult in regard to the measures to be taken with a view to mutual support" in case of menace to the "territorial rights or special interests" of one party "recognized" by the other, leaving both the rights to be supported and the measures to be adopted for that purpose to be determined when the menace should arise, would not seem to justify any great reliance.

The agreement is, of course, open to the interpretation that the word "recognized" refers to the treaties previously made, but if so, the first clause of the new treaty is but little more than a declaration that the parties are still satisfied with them and willing to abide by them.

Or it may be that a new convention was considered necessary in order to bring under its protection "rights and special interests" acquired since the making of the old one, especially the rights then being granted.

The Department of Agriculture and Commerce has stated that—the section of the railroad to be transferred to Japan passes through a district devoted to the cultivation of the soya bean; that by freight discrimination the product of this district had been carried to Vladivostok, but that when Japan obtains control of the line, this will be corrected, and the traffic diverted to the South Manchuria Railway, which will be much benefited thereby.

There have been great public demonstrations here of gratification over the signing of the treaty. Some of this has, I think, been worked up for political purposes; but there is unquestionably much sincere gratification among the people.

This, I think is due to several reasons.

There has always been in the public mind an idea that, sooner or later, Russia would return to the old policy of seeking an open port on the Pacific, and of increasing its sphere of influence in North China.

There has also been a feeling that after the war Germany might seek to reestablish herself in the Far East, and a conviction that she would certainly do so, unless she were completely crushed in the war.

While Germany's attempt would be dangerous to Japan standing alone. Japan and Russia united would be almost, if not entirely, impregnable.

And, finally, the imperative necessity of the British alliance to Japan's safety in the face of these dangers was not popular.

While, in my opinion, the recent newspaper agitation against the British alliance was to some extent promoted for ulterior purposes: it must be admitted that it represents the feelings and opinions of quite an important section of the public.

From what I hear, there is no good will between the British and Japanese in China; and that feeling finds a reflex here, and is aggravated by the position of the British colonies in regard to Japanese immigration.

So long, however, as there existed any possibility of danger from both Russia and Germany, the Japanese Government felt the necessity of the alliance and loyally stood by it.

On the other hand, there was practically no commercial friction between Russia and Japan, and nothing in the relations between the peoples themselves to cause ill will.

I have [etc.]

GEO. W. GUTHRIE

File No. 761.94/106

The Acting Secretary of State to Minister Reinsch

[Telegram]

DEPARTMENT OF STATE,
Washington, July 24, 1916, 6 p. m.

Last paragraph your July 17, 7 p. m. Department assumes that no American rights in Manchuria are impaired, but it awaits more definite information regarding full scope and intent of treaty before giving opinion whether favored nation clause could be invoked if occasion should arise.

POLK

File No. 761.94/109

The Secretary of State to Ambassador Guthrie

[Telegram]

DEPARTMENT OF STATE,
Washington, August 16, 1916, 4 p. m.

Your No. 562. Please communicate textually to the Foreign Office the following:

The Department of State has received through the American Ambassador at Tokyo a copy of the official French text of the Convention between Russia and Japan signed on July 3 last relating to the mutual protection of the territorial rights and special interests in the Far East of the High Contracting Parties.

The Department is happy to note that the purpose of the Convention is declared to be the maintenance of constant peace in the Far East. The American Government has in the past repeatedly shown its deep concern in all that tends to promote friendly relations among the nations interested in the Far East and, specifically, by an exchange of notes signed on November 30, 1908,*

* For. Rel. 1908, pp. 510-512.

by the Honorable Elihu Root, then Secretary of State and Baron Kogoro Takahira, at that time His Imperial Japanese Majesty's Ambassador in Washington, joined in a declaration of the common aim and policy of our two Governments in the region of the Pacific Ocean of which Paragraphs 4 and 5 are as follows:

They are also determined to preserve the common interest of all powers in China by supporting by all pacific means at their disposal the independence and integrity of China and the principle of equal opportunity for commerce and industry of all nations in that Empire.

5. Should any event occur threatening the *status quo* as above described or the principle of equal opportunity as above defined, it remains for the two Governments to communicate with each other in order to arrive at an understanding as to what measures they may consider it useful to take.

Since the American Government has received no intimation from the Imperial Japanese Government as provided in Article 5 of the notes just quoted, of any occurrence looking to a change in the *status quo* as described in these notes or affecting the principle of equal opportunity as defined in them, the American Government is convinced that, while this latest convention between Japan and Russia does not repeat the declaration made by them on July 30, 1907,⁵ to wit—

The two High Contracting Parties recognize the independence and the territorial integrity of the Empire of China and the principle of equal opportunity in whatever concerns the commerce and industry of all nations in that empire, and engage to sustain and defend the maintenance of the *status quo* and respect for this principle by all the pacific means within their reach,—

there is no desire on the part of either of the High Contracting Parties to withdraw from the engagements then made, that, on the contrary, the Imperial Japanese Government is desirous of maintaining unimpaired the territorial integrity and administrative entity of China and the principle of equality of opportunity in that country for the trade of all nations.

The American Government will be glad to have its understanding, thus expressed, confirmed by the Imperial Japanese Government.

The vernacular newspapers of Japan report the existence of certain articles supplementary to the recently signed convention, providing, among other things, for the transfer by Russia to Japan of a portion of the Chinese Eastern Railway and the sharing by Japan of Russia's right of navigating the Sungari River.

The Department of State would appreciate very highly the courtesy of the Imperial Japanese Government if they could find it possible to furnish a copy of these supplementary articles.

LANSING

File No. 761.94/111

The Secretary of State to Ambassador Francis

[Telegram]

DEPARTMENT OF STATE,

Washington, August 16, 1916, 5 p. m.

954. Your telegram of July 14, 3 p. m. Please take occasion discreetly to say to the Minister for Foreign Affairs that the American Government highly appreciates his assurances of Russia's friendship for the United States and the statement which he has made that the United States has no occasion for fear of injury by the Convention between Russia and Japan signed on July 3, but, on contrary, will be benefited thereby.

Please call his attention to the engagement entered into by Russia and Japan in Article II of the Convention signed July 30, 1907,⁵ with respect to the independence and territorial integrity of China,

⁵ For. Rel. 1907, p. 765.

and say that, while this engagement is not specifically mentioned in the convention of this year, the American Government understands from his assurances above mentioned, given to you on July 13, that the Imperial Russian Government has not withdrawn from that engagement but, on the contrary, desires to maintain it unimpaired.

The American Government will be glad to have this understanding confirmed by the Imperial Russian Government.

LANSING

File No. 761.94/113

Ambassador Guthrie to the Secretary of State

[Telegrams]

AMERICAN EMBASSY,
Tokyo, August 16, 1916, 1 p. m.

Embassy's telegram of July 16, 3 p. m. I am confidentially informed that it is understood that there is included in the new Russo-Japanese convention a further clause in which it is provided that after the present war Japanese troops will be permitted largely to replace the Russian troops formerly stationed at Manchuria.

GUTHRIE

File No. 761.94/115

AMERICAN EMBASSY,
Tokyo, August 21, 1916, 3 p. m.

Your telegram of August 16, 4 p. m. Made communication as instructed. Minister of Foreign Affairs received it in the most cordial spirit and frankly stated to me that there is no intention of deviating in the slightest degree from the policy of the Root-Takahira notes or the preceding convention with Russia; that Japan adhered to the policies, the independence of China and equal opportunity for commerce of the whole world. He said that the agreement with Russia in relation to the transfer of a portion of the Chinese Eastern Railway had not been perfected, that the towns [terms?] had not been agreed to and that until that had been settled no transfer could be made; that so far as the Sungari River was concerned Japan's contention had always been that China's grant of the rights of navigation to Russia automatically ensued to the benefit of Japan and all other nations having most favored nation treaties with China; that Russia has now agreed not to nullify this claim but the matter had not yet been communicated; the agreements not having been perfected, they had not been published but as soon as completed publication would be made.

The Minister of Foreign Affairs assured me that written answer would be sent me in accordance with this statement not later than tomorrow. He requested me however to communicate his verbal answer at once.

GUTHRIE

[NOTE.—A paraphrase of the above was transmitted to the Embassy at Petrograd (No. 129) and to the Legation at Peking (No. 490) August 22, 1916.]

File No. 761.94/118

Ambassador Francis to the Secretary of State

[Telegram—Extract]

AMERICAN EMBASSY,
Petrograd, August 23, 1916, 4 p. m.

721. Your 954. Had satisfactory interview with the Minister of Foreign Affairs 11:30 a. m. today. He assured me definitely and repeatedly that his Government has not withdrawn from the convention of 1907 and 1910 but would maintain unimpaired the provisions thereof, notwithstanding no mention made thereof in convention of 1916. This confirms assurance of Sazonow to me July 13 and Sazonow's interview of July 14 given to Associated Press.

FRANCIS

[NOTE.—A paraphrase of the above was transmitted to the Embassy at Tokyo (No. 338) and to the Legation at Peking (No. 493) August 24, 1916.]

File No. 761.94/121

Ambassador Guthrie to the Secretary of State

[Telegrams]

AMERICAN EMBASSY,
Tokyo, August 29, 1916, 1 p. m.

Embassy's telegram of August 21, 3 p. m. In a recent conversation with the British Ambassador he has informed me that the assurance given me on August twenty-first by the Minister for Foreign Affairs corresponds substantially with the information received by him from the same source. By the details of the uncompleted conventions, however, he was informed that it would be provided that Japan should furnish Russia, free of cost, with approximately one hundred and forty thousand rifles and a quantity of ammunition and that Russia would reduce its tariff on certain articles of Japanese manufacture.

He asserts that the convention has met with the thorough approval of the London authorities. The Foreign Office has not yet replied in writing to the Department's *note verbale* of August 16, 4 p. m.

GUTHRIE

File No. 761.94/186

AMERICAN EMBASSY,
Tokyo, September 13, 1916, 6 p. m.

Department's telegram August 6, 4 p. m. Note from Foreign Office received today reads as follows in part:

The Imperial Government desires to assure the American Government that the new convention is in no sense designed to repeal or to modify the provisions of Article two of the convention concluded between Japan and Russia on July 31, 1907,* nor have the Imperial Government entertained for a moment any intention to depart from the policy to which they have avowedly

* For. Rel. 1907, p. 765.

committed themselves respecting the maintenance of the independence and territorial integrity of China as well as the principle of equal opportunity for the trade of all nations in that country. On the contrary, they are as strongly convinced as ever of the usefulness of that policy in the interest of the general peace and stability in the Far East which they have always very near their heart.

An accompanying letter says, for your confidential information, that the supplementary provisions are still under negotiations and that the question involved does not affect the position of American Government or citizens.

GUTHRIE

File No. 761.94/125

Ambassador Guthrie to the Secretary of State

No. 613

AMERICAN EMBASSY,
Tokyo, September 13, 1916.

SIR: Referring to my telegram of the 13th instant, 6 p. m., upon the subject of the Russo-Japanese Convention, I have the honor to transmit herewith, for the Department's confidential information, copies of the Foreign Office note⁶ and memorandum in question.

I have [etc.]

GEO. W. GUTHRIE

[Inclosure—Memorandum]

The Department of Foreign Affairs to the American Embassy

The Department of Foreign Affairs has submitted to its careful examination the communication which his excellency the American Ambassador, under instructions of his Government, was so good as to make on August 21, on the subject of the convention signed between Japan and Russia on July 3 last.

In reply to the question raised in that communication the Imperial Government desires to assure the American Government that the new convention is in no sense designed to repeal or to modify the provisions of Article 2 of the convention concluded between Japan and Russia on July 31, 1907. Nor have the Imperial Government entertained for a moment any intention to depart from the policy to which they have avowedly committed themselves respecting the maintenance of the independence and territorial integrity of China as well as the principle of equal opportunity for the trade of all nations in that country. On the contrary, they are as strongly convinced as ever of the usefulness of that policy in the interest of the general peace and stability in the Far East, which they have always very near their heart.

DEPARTMENT OF FOREIGN AFFAIRS,
Tokyo, September 13, 1916.

**DISCRIMINATION IN FREIGHT RATES AFFECTING EQUALITY OF
COMMERCIAL OPPORTUNITY IN CHINA. PROTEST OF THE
UNITED STATES.⁷**

File No. 893.773/44

The Secretary of State to Ambassador Guthrie

No. 236

DEPARTMENT OF STATE,
Washington, January 25, 1916.

SIR: The Department acknowledges the receipt of your despatch No. 378 of November 4, 1915, relating to the subject of preferential

⁶ Not printed.

⁷ Continued from For. Rel. 1915, pp. 594-625.

freight rates allowed certain goods shipped into Manchuria over the South Manchuria Railway.

In reply to your request, you are instructed that the question at issue is obscured by any discussion of forms of contract between the Railway Administration and shipping companies. The very existence of such contracts granting reduced rates is the sort of thing to which objection has been made and it is unfortunate that our Consul at Dalny allowed himself to admit the need of any such agreement as he appears to have done in his letter to Baron Nakamura dated May 5, 1915, wherein he says:

As I did not understand that simply an agreement was desired but an agreement identical with that now in operation with at least two Japanese shipping companies, the Nippon Yusen Kaisha and the Osaka Shosen Kaisha, I should be grateful for any information your excellency can give me as to why a new form of agreement is necessary.

Still more objectionable is his letter of May 19, 1915, to Mr. Kubo. It would have been better, had he taken the position which he defined in his despatch of June 16 to your Embassy wherein he very pertinently observes:

There is discrimination, whatever the means by which American goods arrive—whatever the nationality of the vessel—if Japanese goods are granted cheaper rates. The importing vessel is simply a subterfuge which does not affect the fact of discrimination one way or another.

The Railway Administration has several times altered the conditions under which the reduced rates will be granted.

At first they were made applicable to specific goods shipped from Japan. To obtain these special rates American goods would have had to be shipped via Japan. Subsequently, after objection made by various interests, the special rates were made applicable to goods carried in vessels of certain Japanese lines. This being equally objectionable and not in harmony with the agreements into which Japan has entered for the preservation of equality of opportunity, it is now sought to make the enjoyment of reduced rates a matter of special contract, the approval of which by this Government would apparently make it a party to the discrimination.

You are instructed to bring the matter once more to the attention of the Foreign Office and point out that, in view of this Government, the right of American goods to receive the reduced rates can not be made to depend upon the route of shipment, the nationality of the importing vessel nor upon the signature by shipping companies of a contract with the railway, granting preferential rates. The American Government trusts that the Imperial Japanese Government may be disposed to instruct the authorities of the South Manchuria Railway that the conditions under which reduced freight rates are allowed must be such as will afford real equality of treatment for the goods and shipping of all nationalities.

In this connection your attention is called again to the Department's instructions No. 140 of April 17, 1915,^a particularly to the paragraphs relating to shipments through Newchwang. The statement of the Nippon Yusen Kaisha, quoted by Mr. Wheeler in the Embassy's despatch No. 296 of June 9, to the effect that the company maintains a regular service on the Shanghai-Newchwang route is

^a For. Rel. 1915, p. 617.

contradicted by a report of Mr. Pontius, while stationed there as Consul. in a dispatch to the Legation at Peking, dated November 7, 1914. At that time Mr. Pontius said: "The Nippon Yusen Kaisha maintains no regular steamship service between Shanghai and Newchwang." It was to shipments from Shanghai to Newchwang that the Department referred in its statement in instruction No. 140 that no regular service to the latter port was maintained by Japanese steamers.

I am [etc.]

ROBERT LANSING

File No. 893.773/46

Ambassador Guthrie to the Secretary of State

No. 457

AMERICAN EMBASSY,
Tokyo, March 3, 1916.

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 236 of the 25th of January, 1916, relating to the subject of preferential freight rates allowed certain goods shipped into Manchuria over the South Manchuria Railway, and to attach hereto a copy of a note which I have handed to the Foreign Office in accordance with the Department's instruction.

In this connection permit me to point out that, while the Imperial Government appears to be willing to concede the rebate to all goods shipped directly through Newchwang to points north of Mukden, its purpose seems to be to prevent goods which have been consigned to Newchwang and there delivered to the consignee, from thereafter being forwarded to points beyond Mukden, and claiming and receiving the reduction of 30% allowed on goods shipped directly through to the ultimate point of destination.

As I have heretofore reported (despatch No. 242 of March 29, 1915), in my conversation with Baron Kato, former Minister for Foreign Affairs, he was very positive on two points:

First, that equality of treatment does not require the South Manchuria Railway Company to allow the same discount on goods shipped to points south of Mukden as on goods shipped to points north of Mukden;

Second, that because a discount was allowed on Japanese goods shipped from Japan direct through Newchwang to points north of Mukden, the railway company was not required to allow a similar discount on goods shipped to consignees in Newchwang who received the goods, put them in their storehouses, and subsequently forwarded them by rail to purchasers at points north of Mukden.

Baron Kato stated that consignees receiving goods at Newchwang could and often did forward their goods by the North China Railroad, thereby diverting trade from the South Manchuria line, and that it was to prevent this that the rebate was restricted to goods consigned directly through Newchwang to points north of Mukden.

The second point is the one which has given me trouble and I desire the views of the Department on it. The present Foreign Minister, Baron Ishii, has not yet referred to this, but I anticipate that he will do so now that the discussion has been brought back to the specific question of the discrimination complained of, and will wish to know whether I have any suggestion to make by which goods

coming by tramp ships can be consigned direct from point of shipment to points north of Mukden.

In reference to the assertion of the Nippon Yusen Kaisha, quoted by Mr. Wheeler in his despatch No. 296 of June 9, 1915, that this company has a regular service on the Shanghai-Newchwang route, I beg to say that Mr. Pontius' statement that "the Nippon Yusen Kaisha maintains no regular service between Shanghai and Newchwang," is correct. The company, however, operates a regular line between Newchwang and Dairen, which links with the Osaka Shosen Kaisha's regular line between Dairen and Shanghai, which, they claim, provides a regular Japanese service between Shanghai and Newchwang. I enclose herewith a chart showing steamship routes for 1915, issued by the Department of Finance, on which the lines above mentioned appear.

I have [etc.]

GEO. W. GUTHRIE

[Inclosure]

Ambassador Guthrie to the Minister for Foreign Affairs

No. 474

AMERICAN EMBASSY,
Tokyo, March 1, 1916.

YOUR EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note No. 267 of October 27 last, respecting the discrimination against American trade due to the preferential rates granted to Japanese shippers on the South Manchuria Railway from Newchwang. A copy of this note was forwarded to my Government from whom I am now in receipt of instruction to bring the matter once more to your excellency's consideration.

I beg to call attention to the fact that the question of an agreement between ship companies and the South Manchuria Railway is entirely aside from the objection made by my Government to the regulations of that company which discriminate against American goods shipped from Shanghai or other ports via Newchwang to points on its line north of Mukden, as I had the honor to point out in my note to your excellency's predecessor, No. 104 of March 6, 1915.

In bringing this question again to your consideration with the request that such a change be made in the regulations of the South Manchuria Railway Company as will give to such American goods the benefit of the 30% discount on specific rates allowed on Japanese goods arriving at Newchwang by Japanese lines, I am instructed to state that in the view of my Government "the right of American goods to receive the reduced rates cannot be made to depend upon the route of shipment, the nationality of the importing vessel nor upon the signature by shipping companies of a contract with the railway, granting preferential rates. The American Government trusts that the Imperial Japanese Government may be disposed to instruct the authorities of the South Manchuria Railway that the conditions under which reduced freight rates are allowed must be such as will afford real equality of treatment for the goods and shipping of all nationalities."

I avail [etc.]

GEO. W. GUTHRIE

File No. 893.773/46

The Secretary of State to Ambassador Guthrie

No. 290

DEPARTMENT OF STATE,
Washington, April 20, 1916.

SIR: The Department is in receipt of your despatch No. 457 of March 3, 1916, relating to the subject of preferential freight rates allowed certain goods shipped into Manchuria over the South Manchuria Railway.

The Embassy appears to have misunderstood in some degree the Department's instruction of January 25 last. That instruction related not alone to the shipment of goods through Newchwang to points north of Mukden but to the whole subject of reduced rates granted upon conditions with which American merchants cannot comply. The objection applies equally to goods shipped through Newchwang, Dairen or other Manchurian ports.

The particular reference in the Department's instruction of January 25 to paragraphs in an earlier instruction relating to shipments through Newchwang was intended to point out to the Embassy, as it did, the contradiction between Mr. Wheeler's despatch and the report of Mr. Pontius. It was not intended that the Embassy's representations to the Japanese Foreign Office should be limited to shipments through Newchwang.

The Department notes your request to be instructed how to reply in case the Minister for Foreign Affairs should ask for suggestions as to the manner in which goods coming by tramp ships can be consigned direct from point of shipment to places north of Mukden. The Department does not feel bound to make any suggestion in regard to this matter.

If reductions in the rates for through shipments from places outside Manchuria cannot be made without in effect becoming preferential for Japanese goods, as seems, generally speaking, to be the case, then such reductions ought not to be made or should be limited to shipments over the South Manchuria Railway of goods already imported into Manchuria.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

KONGO

ABROGATION BY THE UNITED STATES OF ARTICLE 5 OF THE
TREATY OF JANUARY 24, 1891, CONCLUDED BETWEEN THE
UNITED STATES AND THE INDEPENDENT STATE OF THE
KONGO.—ACCEPTANCE OF THE ABROGATION AND DENUNCIA-
TION OF THE TREATY BY BELGIUM.

(*See* Belgium)

LIBERIA

POLITICAL AFFAIRS.—CRUSHING OF THE REVOLT OF NATIVE TRIBES; ASSISTANCE RENDERED BY THE UNITED STATES¹

File No. 882.00/522

Minister Curtis to the Secretary of State

[Extract]

No. 3

AMERICAN LEGATION,
Monrovia, January 12, 1916.

SIR: I have the honor to report for the information of the Department that the Liberian Government, having been apprized of the probability of the U. S. S. *Chester* sailing from Liberian waters in the immediate future, has made known to the Legation the fact that it views with considerable disquietude such an ontoward event and that it desires the Legation to transmit its earnest request that the American Government permit the *Chester* to remain in Liberian waters until the Department has communicated its decision with reference to the Legation's cable Dec. 1, 6 p. m., wherein it was set out that the Liberian Government, being unable to obtain ammunition for the German guns with which the Frontier Force is equipped, and having only one hundred thousand rounds of said ammunition on hand with which to undertake a three months' campaign necessary to restore order on the Kru coast, sought through the Legation to ascertain whether the Government of the United States would lend it 500 Krag carbines and two hundred fifty thousand rounds of ammunition for the same.²

The Liberian Government has considered as an alternative, in case the Department cannot see its way clear to answer said inquiry affirmatively, the placing of an order with an American munition plant to manufacture ammunition, from samples to be furnished, of suitable make for use in said German guns and in sufficient quantities to meet the pressing needs thereof, on the Kru coast. The Liberian Government feels that, until the decision of the Department in the premises is made known to it, said order cannot properly be placed, the while, the situation on the Kru coast, in consequence of which the *Chester* laid anchor in Liberian waters, is far from settled as I learn from repeated conversations with the commanding officer of the *Chester*, who is acquiescent to the proposition of the *Chester* remaining until a reply is obtained from the Department to the Legation's telegram of Dec. 1, 6 p. m. regarding arms and ammunition for the Liberian Government.

The Legation feels that the end sought by ordering the *Chester* to Liberian waters has not been fully attained as long as the Kru people are in armed rebellion against the established Government of Liberia in quarters where their activities may any day give rise to grave international questions and further feels that the Kru

¹ Continued from For. Rel. 1915, pp. 627-635.

² For. Rel. 1915, p. 632.

people being fully acquainted, as undoubtedly they are, with the Liberian Government's shortage of ammunition. are now quiescent because of a wholesome respect for the presence of the *Chester* and that if the *Chester* leaves before the needed ammunition, so well known to the Krus, is met, dire consequences to the Liberian Republic involving serious international complications may result. A copy of the communication from the Liberian Government upon which this despatch and the Legation's telegram of January 10, are predicated is herewith enclosed.

I have [etc.]

JAMES L. CURTIS

[Inclosure]

The Secretary of State of Liberia to the American Minister

DEPARTMENT OF STATE,
Monrovia, January 8, 1916.

MR. MINISTER: I have the honor by direction of the President to request your good offices in trying to get your Government to see its way clear to permit the U. S. S. *Chester* to remain in Liberian waters until the Liberian Government can procure the necessary arms and ammunition which will enable it to effectively quell the insubordination on the Kru coast.

The President fully appreciates the great kindness of your Government in sending the *Chester* to our relief, and recognizes the great sacrifice made to that end on the part of the United States Government, and it is therefore with the greatest reluctance he makes this request; but as the object of the *Chester's* visit will not be accomplished unless the rebellion is completely crushed, and as it is not possible for the Liberian Government to obtain this objective without the arms and ammunition which we hope to be able to procure from your Government, the President finds himself compelled to make the above request, believing that the *Chester's* continued presence in Liberian waters under the circumstances above stated will be of incalculable benefit to the Republic.

With the assurance [etc.]

C. D. B. KING

File No. 882.242/4

Minister Curtis to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Monrovia, February 4, 1916, 5 p. m.

Liberian Government has notified Legation within the hour of its decision to purchase of War Department 500 used but renovated Krag Jorgenson carbines at \$3.50 each and ammunition for same at \$15.00 per 1000, General Receiver will cable Chief Ordnance purchase price to-morrow. Please advise when and how shipment can be made and cost thereof.

CURTIS

File No. 822.242/4

The Secretary of State to Minister Curtis

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, February 7, 1916, 4 p. m.

Your February 4, 5 p. m. Will endeavor to arrange shipment on Collier *Sterling* carrying supplies to *Chester*. Necessary that *Chester* be stationed elsewhere at earliest possible date. Upon receipt of

arms and ammunition, and with Roundtree and Gillespie on duty, could not *Chester* depart without serious inconvenience?

LANSING

File No. 852.00/527

The Secretary of the Navy to the Secretary of State

NAVY DEPARTMENT,
Washington, February 9, 1916.

SIR: I have the honor to invite your attention to the difficulties that exist in maintaining the U. S. S. *Chester* in Monrovia waters. In compliance with a request from your Department, the U. S. S. *Des Moines* is being maintained in Mediterranean waters and the U. S. S. *Chester* is being maintained at Monrovia.

In view of the difficulty of obtaining stores and coal, it has been necessary for the Department to keep a collier in Mediterranean waters for the *Des Moines*. The Commanding Officer of the *Chester* has informed the Department that because of the increasing scarcity of coal in the neighborhood of Monrovia, it will be necessary for the Department to maintain a collier in Monrovia as long as the *Chester* remains on that station. The services of all naval colliers are now in great demand for the supply of the fleet and for the maintenance of coal supplies at naval stations. Only one collier, the U. S. S. *Sterling*, is available for supplying the *Chester* and the *Des Moines*, and since, because of their separation, the *Sterling* cannot supply both of these vessels, this Department finds itself obliged to recall to the United States either the *Chester* or the *Des Moines*.

Arrangements have been made to transport arms and ammunition to Monrovia on board the U. S. S. *Sterling*, which will leave Norfolk, Va., on the 15th inst. This shipment should be delivered at Monrovia on or about March 5th. It will be necessary to recall the *Chester* to home waters immediately after the delivery of this shipment.

Sincerely [etc.]

JOSEPHUS DANIELS

File No. 852.00/528

Minister Curtis to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Monrovia, February 12, 1916, 4 p. m.

Department's February 7, 4 p. m. Liberian Government desires *Chester* remain until revolt crushed. I recommend *Chester* remain at least two weeks after arrival arms and ammunition. Commander *Chester* concurs.

CURTIS

File No. 852.00/527

The Secretary of State to the Secretary of the Navy

DEPARTMENT OF STATE,
Washington, February 14, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of the 9th of February, informing the Department of the proposed withdrawal of the U. S. S. *Chester* from Liberian waters, and in reply

to say that a telegram has been received from the American Minister at Monrovia recommending, with the concurrence of the commander of the vessel, that its station at Monrovia be continued at least two weeks after the arrival of the arms and ammunition which the Government of Liberia has recently purchased in this country.

Great good has been accomplished by the presence of the U. S. S. *Chester* in West African waters in preventing a more extended uprising of native tribes which so seriously threatened the Republic, and I take this occasion to express the Department's deep appreciation of the valuable assistance rendered by your Department in causing the vessel to be put to that useful service.

I have [etc.]

ROBERT LANSING

File No. 882.00/531

The Secretary of the Navy to the Secretary of State

NAVY DEPARTMENT,
Washington, February 17, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of February 14, 1916, in reference to the proposed withdrawal of the U. S. S. *Chester* from Liberian waters.

It is noted that your Department has received a telegram from the American Minister at Monrovia recommending, with the concurrence of the commander of the U. S. S. *Chester*, that that vessel be continued at Monrovia at least two weeks after the arrival of the arms and ammunition which the Government of Liberia has recently purchased in this country.

As indicated in my letter of the 9th instant, the withdrawal of the *Chester* has become necessary because of the difficulty of supplying her with coal and provisions. The commanding officer of the *Chester* has, therefore, been directed to proceed to New York as soon as possible, and not more than two weeks after the delivery of the arms and ammunition. I note with satisfaction the statement that you have been good enough to make in reference to the good that has been accomplished by the presence of the U. S. S. *Chester* in West African waters, and I am very glad that the *Chester* has been able to be of service to your Department.

Very sincerely, [etc.]

JOSEPHUS DANIELS

File No. 751.8215/83

Minister Curtis to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Monrovia, March 17, 1916, 11 a. m.

Chester arrived yesterday with arms and ammunition, delivered this morning Secretary of War, designated for such purpose by me.

CURTIS

File No. 882.00/539

Minister Curtis to the Secretary of State

No. 26

AMERICAN LEGATION,
Monrovia, June 13, 1916.

SIR: I have the honor to report for the information of the Department that Lieutenant Wm. Roundtree, in command of a detachment of the Liberian Frontier Force at Sinoe, has arrived at Monrovia.

He reports a fierce joint attack, of his detachment of troops from Sinoe and the detachment of troops from River Cess, under his command, against the Kru strongholds at Rock Cess and Sangwin on June 2, 3 and 4, 1916, the former of which embraces the fortification on the Pu River, which was recently captured and later evacuated by a force under command of Captain Gillespie.

Lieutenant Roundtree further reports that both Sangwin and Rock Cess were taken after a sanguinary battle lasting three days, in which his troops, flushed with victory, advanced on the Kru who fled in confusion; that his troops pursued them and practically massacred them, as a result of which Sangwin and Rock Cess are now in possession of the Government's forces and strongly garrisoned.

This coast is now in fact in the hands of and under control of the Government, for the first time since its existence, as I am informed, it being a matter of general knowledge here that from time wherein the memory of man runneth not to the contrary, the Government has had only a nominal control of this section of its territory.

Lieutenant Roundtree's feat is regarded in Monrovia as a *coup de maître* and all the more extraordinary, in view of the fact that no one here had any information that orders had been issued to him to make the attack and because it was generally believed that the Government's forces would make no offensive movements till the rainy season was over.

The successful issue of Roundtree's attack on the Kru strongholds, according to public opinion as expressed by officials and residents most familiar with Liberian affairs and idiocrasies of the native African, spells *finis* to the ill-fated Kru revolt South Liberian Coast.

I have [etc.]

JAMES L. CURTIS

File No. 882.00/539

*The Secretary of State to Minister Curtis*DEPARTMENT OF STATE,
Washington, August 24, 1916.

SIR: The Department has read with gratification your dispatch No. 26 of June 13, 1916, in regard to the crushing of the Kru revolt by the detachment of the Liberian Frontier Force commanded by Lieutenant William Roundtree, as a result of which the South Liberian Coast is controlled by the Liberian Government.

I am [etc.]

For the Secretary of State:

JOHN E. OSBORNE.

File No. 882.00/541

The Secretary of State to the British Ambassador

No. 1298

DEPARTMENT OF STATE.

Washington, August 26, 1916.

EXCELLENCY: Your excellency is familiar with the difficulties which have beset the Government of Liberia for some time past in resisting the insurrection of the native tribes along the Kru coast. In the latter part of the year 1915 the situation became so alarming that the Government of the Republic besought the assistance of this Government in urgently requesting that an American naval vessel be sent to Liberia, hoping that the presence of a man-of-war in proximity to the seat of trouble would have a repressing effect on the revolting Krus.

At this juncture of stress and need, the Government of the United States, in carrying out its national duty to the Liberian people, who, by the efforts of this Government, were established in Africa on the pathway to sovereign statehood, despatched the U. S. S. *Chester* to Monrovia and it is confidently believed that the presence for several months of this vessel off the Kru coast acted as a great moral aid to the Liberian Government in subduing the rebellious natives and bringing about law and order in the Republic.

With these facts in mind I now have the honor to inform your excellency that reports have reached the Department that certain arms and ammunition were landed at Bettu from the British steamer *Prahsu* on or about February 3, 1916, for the use of the native tribes then in rebellion against the Liberian Government. The first rumor of the shipment of munitions of war from Sierra Leone on board the *Prahsu* were discredited by the Department, but later, upon receipt of additional information supported by affidavits reiterating the allegations, the Department is constrained to give weight to the report and to bring the matter to your excellency's attention.

His Britannic Majesty's Government has at all times lent its hearty assistance in maintaining the integrity of the Republic of Liberia and the Department feels confident that this report of the landing of arms and ammunition from the English steamship *Prahsu* for the use of the Kru tribes in their uprising against the Liberian Government will be thoroughly investigated and, if the facts are found to be as represented, prompt steps will be taken to prevent a repetition of any act on the part of a British subject tending to thwart the operations of the Liberian Government and the friendly interest manifested by our Government in its success.

I have [etc.]

ROBERT LANSING

File No. 882.00/547

The British Ambassador to the Secretary of State

No. 348

BRITISH EMBASSY,

Washington, December 1, 1916.

SIR: I duly forwarded to His Majesty's Government a copy of your note No. 1298 of the 26th of August last, with regard to the reported landing of arms and ammunition at Bettu from the British

steamer *Prahsu* in February, 1916, for the use of the native tribes then in revolt against the Liberian Government. I am informed that His Majesty's Government, who have caused the matter to be carefully investigated, have learned that on the outward journey nothing was landed from the *Prahsu* at Cess Town, which is near Bettu, except some native passengers from Sierra Leone, who left the ship under the supervision of a Liberian Customs Official after the vessel had been properly cleared.

The manifest of the *Prahsu* shows that no cargo was consigned to Liberian ports on the voyage in question although the vessel called at Sinoe and Cess Town. She carried, however, large consignments of ordnance stores for the Sierra Leone Government, which may have given rise to the statement that she had a cargo of arms and ammunition on board.

The exportation of arms and ammunition from Sierra Leone has, as a matter of fact, been prohibited since the outbreak of the war and the Governor of that Colony has no reason to believe that the prohibition has been evaded.

I have the honor [etc.]

CECIL SPRING RICE

FINANCIAL AFFAIRS *

File No. 882.51/694a

The Secretary of State to Minister Curtis

[Telegram]

DEPARTMENT OF STATE,

Washington, June 5, 1916, 4 p. m.

Department hears Liberian Government proposes to discontinue payment loan interest after July 1. Cable facts.

LANSING

File No. 882.51/695

Minister Curtis to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Monrovia, June 9, 1916, 11 a. m.

Department's June 6. [5] Memoranda from Liberian Government and Government Receiver of Customs show falling off of at least forty-nine per cent in receipts from assigned and internal revenues for the year nineteen fifteen as compared with the year nineteen thirteen, which was normal, and estimate further decrease for the year nineteen sixteen. British King's proclamation April twenty-fifth prohibiting exportation of all articles to Liberia presages still further decrease. Less than three per cent of assigned revenues paid Liberian Government and forty-eight per cent paid interest on loan during last two years. Despatch follows.

CURTIS

* Continued from For. Rel. 1915, pp. 635-642.

File No. 882.51/703

Minister Curtis to the Secretary of State

[Extracts]

No. 27

AMERICAN LEGATION,
Monrovia. June 13, 1916.

SIR: I have the honor to report for the information of the Department in amplification of Legation's telegram of June 9, that on May 27th ultimo, the Liberian Government, through its chosen representatives, gave notice to the National City Bank, New York, of its proposal to temporarily suspend payment on interest and sinking fund of the refunding loan of 1912, and that subsequently information thereof was conveyed to me through a note from the Secretary of State of the Republic, enclosing copies of said notice and of a letter to the General Receiver of Customs from the Liberian Secretary of the Treasury on the subject of said suspension.

That, pursuant to cabled instructions from the Department received the 6th instant, I immediately made verbal requests of the Liberian Secretary of State and General Receiver of Customs for facts within the knowledge of each, touching the occasion for said proposed suspension.

That by way of response to my said requests, the Liberian Secretary of the Treasury and the General Receiver of Customs, each furnished me with a memorandum, dated June 8th, setting out facts and figures tending to show justification for the said proposed suspension of the payment of interest.

I trust that the facts presented will adequately apprise the Department of the financial condition in which the Liberian Government finds itself, as well as afford it every opportunity to intelligently determine whether, in the circumstances, the reasons assigned by the Liberian Government for its said proposed action are sound or otherwise.

Perhaps it is due the Liberian Government to say in this connection that the King's proclamation, dated April 26, ult., "Prohibiting the exportation of all articles to Liberia," which was promulgated here about the time the notice of said proposed suspension of payment of interest was cabled to America, fell like a pall upon the populace here, officials and civilians alike, and many express the fear that suffering for the want of actual necessities of life is sure to follow in the wake of its enforcement.

Whether this gloomy foreboding is justifiable or not, the fact remains that the effect of the promulgation of said proclamation on the minds of the officials of the Government has been to convince them, that whereas heretofore, by foregoing the payment of a large proportion of their salaries, and by retrenchment in every Department of the public service, the Government has managed with great difficulty to meet its obligations in connection with its said refunding loan, that now added to its other load of difficulties, the said proclamation and its inevitable aftermath will prove the proverbial last straw.

I have [etc.]

JAMES L. CURTIS

[Inclosure]

*The Secretary of the Treasury to Minister Curtis*THE TREASURY DEPARTMENT,
Monrovia, June 8, 1916.

DEAR MR. MINISTER: I enclose herein a memorandum on the suspension of the payment of interest and sinking fund of the Liberian Refunding Loan of 1912, which, it is hoped, will serve the desired purpose.

Placing myself always at your service for any other information you may require.

I have [etc.]

JAS. F. COOPER

[Subinclosure]

THE TREASURY DEPARTMENT,
Monrovia, June 8, 1916.

MEMORANDUM

Notice to suspend the payment of interest and sinking fund of the Refunding Loan of 1912, beginning July 1, 1916, transmitted on May 27, 1916, by cablegram to the National City Bank, fiscal agents of this Government, New York, is based upon the following facts and figures:

Customs receipts.

July 1, to Sept. 30, 1915.....		\$85, 896. 47
Oct. 1, to Dec. 31, 1915.....		54, 723. 37
Jan. 1, to March 31, 1916.....		49, 907. 65
April 1916.....	\$10, 428. 70	
May 1916 reported.....	12, 902. 22	
		23, 330. 92
		213, 858. 41
Add May collections for Cape Palmas not reported about..	\$4, 000	
June 1916 estimated.....	10, 000	14, 000. 00
		227, 858. 41

Accepting this total as a correct estimate (which is hardly safe to do under present conditions) of the assigned revenues for the fiscal year 1916, the Receivership's disbursements estimated under the "Emergency Mode of Procedure Act" at \$239,000.00 will not be covered.

Internal revenues

	Ordinary receipts	"E. R. funds"	Total
July 1 to Sept. 30, 1915.....	\$6, 837. 70	\$10, 999. 78	\$17, 837. 48
Oct. 1 to Dec. 31, 1915.....	2, 539. 97	5, 915. 70	8, 455. 67
Jan. 1 to March 31, 1916.....	1, 275. 97	8, 200. 84	9, 476. 81
April and May.....	1, 415. 22	3, 590. 65	5, 005. 87
	12, 068. 86	28, 706. 97	40, 775. 83
Add June estimates 1916.....	500. 00	1, 000. 00	1, 500. 00
	12, 568. 86	29, 706. 97	42, 275. 83

Accepting these figures as a basis it will be seen that the estimated disbursements by the Treasury for the Fiscal Year 1916, cannot be met.

Estimated revenues for the fiscal year 1916 from all sources:

Customs receipts (assigned revenues).....	\$227, 858. 41
Internal revenue receipts.....	42, 275. 83
Total receipts.....	270, 134. 24

Estimated disbursements for the same period

By General Receiver:

Receivership's charges including interest \$239,000.00.

Receivership's charges excluding interest----- \$137,278.40

By the Treasury Department----- 127,483.98

264,762.38

From the above it is evident that the Government cannot continue the payments of interest and maintain itself. The Government, however, is agreeable to the allocation of all amounts accruing as residue, after the disbursements as estimated have been met, for payments against interest and sinking fund.

Respectfully submitted.

JAS. F. COOPER

File No. 882.51/725

Minister Curtis to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Monrovia, November 7, 1916, 8 a. m.

Cargo steamer expected very soon will provide sufficient revenue to pay June interest and to set aside funds for July interest. Do bankers consider July interest to be suspended under notice from Liberian Government referred to in Department's June 5, 4 p. m.?

Agreement drawn but not executed between Bank of British West Africa and Liberian Government calling for loan of nine thousand dollars monthly to the Liberian Government for its running expenses secured by all revenues not assigned. Tentative agreement supported by Clark and Worley. What is the view of the Department and bankers?

CURTIS

MESSAGE OF THE PRESIDENT TO THE LIBERIAN LEGISLATURE

File 882.032/13

Minister Curtis to the Secretary of State

No. 44

AMERICAN LEGATION,
Monrovia, September 30, 1916.

SIR: I have the honor to transmit for the information of the Department a copy of the annual message delivered by the President to the Legislature of Liberia in joint session assembled on the 19th day of September, 1916.

I have [etc.]

JAMES L. CURTIS

[Inclosure—Extract]

Fellow Citizens: After an absence of only eight months, we have met again, to consult, advise and legislate for the common good of the Republic.

The great and cruel war still rages with all its fearful consequences, and I am impressed that it will continue at least a year longer; hence, my advice to all classes of our citizens has been to prepare for such a contingency. I am pleased to say that, from reports which have reached me from all parts of the Republic, people of all classes have turned their attention to agriculture as in the days of yore. Nearly everyone who will work has gone to farming.

The rice crop is reported as being good throughout the country, and the reports of the other crops are very encouraging.

As an evidence of the appreciation of our Government for the timely services rendered the Republic by the United States Government through its Cruiser *Chester* it is requested that a resolution be passed by you expressing our thanks in a formal manner.

By cablegram on the 27th of May, last, and by letter of the 14th of June, last, the Government proposed to the fiscal agents of the Refunding Loan of 1912, the temporary suspension of interest and sinking fund as from July 1, 1916. The reason for the proposal was the serious falling off of the revenues to such an extent that the current income of the Republic was not sufficient to meet the service of the loan and the bare necessities of the Government. It was suggested that the Government would be agreeable, after the payment of the Receivership's charges, expenses of the Liberian Frontier Force and the amount necessary for the support of the Government, to allocate whatever sums remaining to the payment of interest and sinking fund. Such payment would be made at the end of each fiscal year, during the war period, or sooner, if conditions warranted.

The working of the Receivership has been solely along routine lines during the past fiscal period. Harmony has prevailed between the Receivership and the Government. Questions have arisen, however, respecting the scope of authority of the Financial Adviser. It is hoped that an adjustment will soon be reached.

The funds of the Liberian Frontier Force are now regularly passed through the hands of the Secretary of War in accordance with the plan for the disbursement of such funds agreed upon between the Secretary of the Treasury and the General Receiver of Customs while on their official trip in America.

The insurrection of the Krus along the whole of the Coast is in course of effective suppression by the Frontier Force. The principal chiefs and ring-leaders have been captured. The officers and men of the Force merit special mention in this connection.

MEXICO

POLITICAL AFFAIRS.¹ FRANCISCO VILLA, RAPHAEL CASTRO AND PABLO LOPEZ DECLARED OUTLAWS BY THE DE FACTO GOVERNMENT—REPORT OF THE SECRETARY OF STATE TO THE SENATE ON CONDITIONS IN MEXICO—RAID ON COLUMBUS, NEW MEXICO, BY VILLA BANDITS—PURSUIT OF VILLA BY AMERICAN TROOPS—ATTITUDE OF OBSTRUCTION BY THE DE FACTO GOVERNMENT—ACTIVITIES OF DE LA ROSA—RAID ON GLEN SPRINGS, TEXAS, BY MEXICANS—DEMAND OF THE DE FACTO GOVERNMENT FOR THE WITHDRAWAL OF AMERICAN TROOPS FROM MEXICO—ATTITUDE OF THE UNITED STATES—ATTACK ON AMERICAN TROOPS IN MEXICO BY DE FACTO GOVERNMENT TROOPS—ATTACKS ON AMERICAN NAVAL DETACHMENTS AT TAMPICO AND MAZATLAN—AMERICAN-MEXICAN JOINT COMMISSION—RENEWED ACTIVITIES OF BANDITS UNDER VILLA—CAPTURE OF CHIHUAHUA AND TORREON BY VILLA, RECAPTURE BY DE FACTO GOVERNMENT.

File No. 812.00/17062

Senate Resolution submitted by Mr. Fall

IN THE SENATE OF THE UNITED STATES,
January 6, 1916.

Resolved, That the President be requested, if not incompatible with the public interests, to inform the Senate upon the following subjects and to transmit to the Senate the documents, letters, reports, orders, and so forth, hereinafter referred to:

First. Is there a government now existing in the Republic of Mexico; and if so,

Second. Is such government recognized by this Government; how is such government maintained, and where; who is now the recognized head of such government, and is the same a constitutional government?

Third. By what means was the recognition of any government in Mexico brought about, and what proceedings, if any, were followed prior to and resulting in recognition, in any conference between this country and Argentina, Brazil, Chile, Guatemala, and any other country or countries?

Fourth. What assurances has the Government of Mexico given this Government as to its course in protecting American lives and property in Mexico and in Texas, New Mexico, Arizona, and California; and, if such assurances have been given, what evidence has this Government of the ability of such Government to fulfill its promises and obligations in the premises?

Fifth. What orders or instructions have been issued to our officials and armed forces on or near the Mexican border for the protection of the lives, property, and peace of American citizens along said border?

¹ Continued from For. Rel. 1915, p. 642.

Sixth. What assurances have been received from the Mexican Government, or requested by this Government, as to payment of American damage claims for injury to life or property of our citizens resulting from the acts of Mexico or citizens of that country within the past five years?

Seventh. What assurances have been given by the Mexican Government as to the protection of foreigners and citizens, and particularly in the free exercise of their religion, in public or in private?

Eighth. Reports of the Brazilian minister to Mexico made to this Government by letter or otherwise while said minister was representing this Government in Mexico; also reports of American consuls and consular representatives in Mexico during the past four years, together with reports from any special or other sources of information available or in hand concerning or relating to Mexican affairs and conditions, or to Mexican officials or military and factional leaders; reports of the actions of the Red Cross in Mexico, and their reports to this Government.

Ninth. Data, letters, and reports relating to the closing of the port of El Paso and reopening same to importations of meat from Juarez, and also to the setting aside or revocation of any decrees or orders of Villa concerning mining property.

Tenth. Information concerning the occupation of Vera Cruz by our land and naval forces; duration of such occupation; our administration of affairs during such occupancy; and the date and cause of the evacuation of Vera Cruz, with all correspondence concerning such evacuation.

Attest:

JAMES M. BAKER, *Secretary*

File No. 812.00/17062

The Secretary of State to the Secretary of the Navy

DEPARTMENT OF STATE,
Washington, January 17, 1916.

SIR: The President has directed the Department of State to prepare a reply to Senate Resolution dated January 6, 1916, requesting certain documents, letters, reports, orders, and so forth, in regard to the Mexican situation.

One paragraph in the said resolution reads as follows:

Tenth. Information concerning the occupation of Vera Cruz by our land and naval forces; duration of such occupation; our administration of affairs during such occupancy; and the date and cause of the evacuation of Vera Cruz; with all correspondence concerning such evacuation.

I shall appreciate it if you will have prepared for me a statement embodying the pertinent facts, as above indicated, concerning the occupation and evacuation of Vera Cruz by the naval forces of the United States.

A similar letter, *mutatis mutandis*, has been sent to the Secretary of War.

I have [etc.]

ROBERT LANSING

File No. 812 00/17062

*The Secretary of State to the Secretary of War*DEPARTMENT OF STATE,
Washington, January 17, 1916.

SIR: The President has directed the Department of State to prepare a reply to Senate Resolution dated January 6, 1916, requesting certain documents, letters, reports, orders, and so forth, in regard to the Mexican situation.

Two paragraphs in the said resolution read as follows:

Fifth. What orders or instructions have been issued to our officials and armed forces on or near the Mexican border for the protection of the lives, property and peace of American citizens along said Mexican border.

Tenth. Information concerning the occupation of Vera Cruz by our land and naval forces; duration of such occupation; our administration of affairs during such occupancy; and the date and cause of the evacuation of Vera Cruz, with all correspondence concerning such evacuation.

I shall appreciate it if you will have prepared for me a statement embodying the orders given to General Funston in connection with the protection of American life and property on the Mexican border, and any pertinent facts, as above indicated, concerning the occupation and evacuation of Vera Cruz by the military forces of the United States.

A similar letter, *mutatis mutandis*, has been sent to the Secretary of the Navy.

I have [etc.]

ROBERT LANSING

File No. 125.8273/102b

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,
Washington, July 24, 1914.

Unless you know of some reason for not doing so, believe you had better remain with Carranza until further notice so that Department may keep in constant touch with him through you.

BRYAN

File No. 312.115C96/60

Special Agent Silliman to the Secretary of State

[Telegram]

QUERÉTARO, January 19, 1916.

The text has been furnished me of decree declaring that on account of connection with the Santa Ysabel massacre² Francisco Villa, Rafael Castro and Pablo Lopez are outside the law, and that any citizen may apprehend and execute them, the only formality being their identification.

SILLIMAN

² See Protection of Americans and American interests, p. 652.

File No. 812 00/17125a

The Secretary of State to the American Consuls at Nogales, Juarez, Piedras Negras, Laredo and Matamoros

[Circular telegram]

DEPARTMENT OF STATE,
Washington, January 19, 1916, 5 p. m.

Telegraph soon as possible number Americans, Mexicans and others killed in American territory since beginning of uprising against Porfirio Diaz. If impracticable, give number killed since beginning of 1913. Give number killed in United States by firing across border from Mexican side in attacks on Mexican border towns, and a separate statement showing number killed in American territory as result outlawry along the border adjacent your consular district. Civilians and soldiers killed on American side should be shown separately.

Statements of those killed should indicate each year separately.
LANSING

File No. 812.00/17102

*The Secretary of State to the Secretary of War **

DEPARTMENT OF STATE,
Washington, January 19, 1916.

SIR: I have the honor to advise you that the Department has been informed by its representative near General Carranza that the authorities of the *de facto* Government in Mexico fear that the guilty participants in the recent murder of Americans at Santa Ysabel will seek refuge in the United States and therefore urge that the appropriate authorities of this country exercise the strictest supervision over members of the forces of Villa who may attempt to enter the United States.

I have the honor to request, therefore, that you give orders for the exercise of such supervision, and that every effort be made by the officers under your authority to exclude from the United States any persons against whom there may be ground for suspicion of participation in the outrage mentioned.

I have [etc.]

ROBERT LANSING

File No. 812.00/17133

The Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, January 21, 1916.

The Secretary of War presents his compliments to the Honorable the Secretary of State, and has the honor to acknowledge receipt of his letter of January 19, 1916, requesting that every effort be made by officers of the Army to exclude from the United States any persons against whom there may be grounds for suspicion of participation in the murder of Americans at Santa Ysabel, Mexico, and in response

* The same to the Secretary of Labor.

thereto to inclose herewith copy of a telegram sent yesterday to the commanding general, Southern Department, Fort Sam Houston, Texas, on the subject.

[Inclosure]

The Adjutant General to General Funston

THE ADJUTANT GENERAL'S OFFICE,
Washington, January 20, 1916.

Secretary War directs you to be advised of request of Secretary of State that no members of band charged with murder of Americans at Santa Ysabel, Mexico, be permitted to cross the border into United States and he desires your cooperation in all ways that may be proper.

McCain

File No. 812.00/17156

The Assistant Secretary of Labor to the Secretary of State

DEPARTMENT OF LABOR,
Washington, January 24, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of the 19th instant to the effect that you have been informed by your representative near General Carranza that the authorities of the *de facto* Government in Mexico fear the guilty participants in the recent murder of Americans at Santa Ysabel will seek refuge in the United States.

In accordance with your request, I have caused the following telegram to be dispatched to the Supervising Inspector, Immigration Service, El Paso, Texas:

State Department reports it has been informed by its representative near General Carranza that authorities *de facto* Government Mexico fear guilty participants in recent murder Americans Santa Ysabel will seek refuge United States. Pursuant request Secretary State, you are directed to have immigration officials on Mexican border take all possible measures to prevent entry United States any aliens against whom there may be ground for suspicion of participation in outrage mentioned.

Respectfully,

LOUIS F. POST

File No. 312.115C96/88

DEPARTMENT OF LABOR,
Washington, January 29, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of the 18th instant, inclosing copy of a telegram, dated January 14, from the Government Consul at Querétaro, Mexico, stating the *de facto* Government of Mexico requests that the military and immigration authorities of the United States cooperate with the Mexican authorities in their efforts to exterminate certain bands of outlaws now operating in the State of Chihuahua, by denying the said outlaws refuge in this country.

A copy of your letter and the Consul's message has been furnished the Supervising Inspector, Immigration Service, El Paso, Texas, with instructions that all measures consistent with law and official duty be taken by him and the officers under his jurisdiction to prevent entry to the United States of persons of the character indicated.

Respectfully,

LOUIS F. POST

File No. 812.00/17268

Consul Letcher to the Secretary of State

[Extract]

AMERICAN CONSULATE,
Chihuahua, February 9, 1916.

SIR: I have the honor to submit for the Department's information the following notes on the political situation in the consular district of Chihuahua, Mexico, at the present time:

The Carranza *de facto* government appears to have garrisons of the size noted at the following places in the district: Chihuahua, 500; Minica, 300; Cusihiuriachic, 300; Guerrero, 250; Yoquivo (vicinity of), 80; Parral, 300. The numbers of troops at Jimenez and Santa Rosalia are not known.

The Villa adherents seem to be fairly well disseminated through the district.

It is also reported that the country between the Mexico North-western Railway in the vicinity of Santa Ysabel and San Andrés and the northern part of the State of Durango is infested with Villistas. From this territory, where Villa operated as a highwayman for many years preceding the Madero revolution, were drawn many of Villa's most loyal followers in the late revolution, many of these having been his partners in crime in former times.

All the evidence obtainable seems to show that López and his band massacred the eighteen Americans at La Baeza, or Santa Ysabel, on January 10.

There seems to be abundant evidence that Villa is being kept in touch with affairs in general and military movements in particular by spies scattered everywhere throughout the state.

Four months ago the writer believed that it was possible for the Carranza adherents to make use of the then general desire for peace in bringing about an early pacification of the country, since all classes were then exceedingly eager for peace on almost any terms. The accomplishment of this end, however, was dependent upon quick and vigorous action that would not permit the scattered and demoralized forces of the opposition to unite their strength. The Villistas now have been allowed to get their "second wind", and we have thus entered upon another of the hopeless cycles of revolution with the usual phenomena apparent, namely, the government in charge of the cities and larger towns and the opposition holding the countryside and marauding at will. This was the condition in the Madero revolution, then in the Orozco rebellion against Madero, and lastly in the Constitutionalist campaign against the Huerta government.

While all this is going on it appears that the government adherents are occupying themselves with foolish decrees aimed at the regulation of commerce and the fixing of values to the tons of fiat money that have been issued and debating questions of little present application or of doubtful practical value.

I have [etc.]

MARION LETCHER

File No. 312.115C96/103

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,
Washington, February 16, 1916, 5 p. m.

Department informed garrison at Cusihuiachi has been reduced to fifty men, and that superior force of Villistas is within twenty miles.

Request appropriate authorities to station not less than three hundred additional infantrymen at Cusihuiachi, for protection important mining property there.

LANSING

Senate Doc. No. 324,
64th Congress, 1st sess.

*The President's message transmitting to the Senate a report of the Secretary of State**To the Senate:*

In response to the resolution adopted by the Senate on January 6, 1916, requesting the President to inform the Senate, if not incompatible with the public interests, upon certain subjects respecting the situation in Mexico, and to transmit to the Senate the documents, letters, reports, orders, and so forth, therein referred to, I transmit herewith a report by the Secretary of State, with accompanying papers.

The report of the Secretary of State has my approval.

WOODROW WILSON

THE WHITE HOUSE,

Washington, February 17, 1916.

[Inclosure]*Report of the Secretary of State to the President**To the President:*

The resolution adopted by the United States Senate on January 6, 1916, requesting to be furnished, if not incompatible with the public interest, with documents, letters, reports, orders, etc., relating to the Mexican situation, having been referred by you to the Department of State for report, I have the honor to state, after earnest consideration of the request in the light of such study as the Department has given this subject for a period of several years, that I believe it to be incompatible with the public interest to transmit to the Senate, at the present time, the voluminous correspondence called for by the resolution between the Department of State and the representatives of the United States in Mexico, or that between this department and representatives of the *de facto* Government of Mexico, of which Gen. Venustiano Carranza is the Chief Executive.

In response, however, to the inquiries made in the resolution, I have had prepared the following concise statement, together with copies of certain pertinent documents which are hereto appended:

(1) The government at present existing in Mexico is a *de facto* government, established by military power, which has definitely committed itself to the holding of popular elections upon the restoration of domestic peace.

(2) This *de facto* Government of Mexico, of which Gen. Venustiano Carranza is the Chief Executive, was recognized by the Government of the United

States on October 19, 1915, and a copy of the letter to Mr. Eliseo Arredondo, the representative of the *de facto* government at this capital, informing him of such recognition is hereto appended (inclosure No. 1).⁴ The said *de facto* government has since been recognized by substantially all the countries of Latin America; also by Great Britain, France, Italy, Russia, Japan, Austria-Hungary, Germany, and Spain; and several other countries have recently announced their intention of extending recognition. The said *de facto* government is at present maintained at Querétaro, near Mexico City.

It can not be said that the *de facto* Government of Mexico is a constitutional government. The *de facto* government, like the majority of revolutionary governments, is of a military character, but, as already stated, that government has committed itself to the holding of elections, and it is confidently expected that the present government will, within a reasonable time, be merged in or succeeded by a government organized under the constitution and laws of Mexico.

(3) After July, 1914, the revolutionary party became divided into factions, thereby delaying the pacification of the country. Meanwhile, this Government took no action, holding that these factions would, by reunion, be able to restore order. As this desirable result had not been achieved up to June 2, 1915, the President's statement of that date, containing a warning to the leaders of the factions, was telegraphed to the American consular officers in Mexico, for circulation. A copy of this statement is appended hereto (inclosure No. 2).⁵

Several weeks after the statement was issued, as the factional differences seemed to be no nearer to a settlement, this Government sounded the six ranking diplomatic representatives of Latin America as to whether they would confer and advise with this Government in regard to formulating some practicable plan, if possible, for the solution of the Mexican problem. Under instructions from their respective Governments, these representatives signified their desire to cooperate with this Government, and the first conference with the representatives was held on August 5, last.

As a result of that conference the Ambassadors of Argentina, Brazil and Chile, the Ministers of Bolivia, Uruguay and Guatemala, and the Secretary of State of the United States, acting severally, signed an appeal to the civil and military leaders of the revolutionary factions in Mexico, suggesting that the latter hold a conference to discuss a peaceful settlement of their differences and offered to act as intermediaries to arrange the time, place and other details of such conference. Identical communications in this sense were, under date of August 13 and 14 last, sent by telegraph to all generals, governors, and other leaders known to be exercising civil or military authority in Mexico. A copy of this communication is appended (inclosure No. 3).⁶

The attempt to bring the factions together for a conference failed. Substantially all the commanders and others in authority who were associated with Gen. Villa, replied directly and independently, in varied language, accepting the suggestion for a conference. On the other hand, all the commanders and others in authority who were affiliated with Gen. Carranza replied briefly to the effect that the appeal had been referred to Gen. Carranza, whose superior authority they acknowledged, and who would make such reply as he deemed proper. The inference to be drawn was plain. On the one hand, there seemed to be no central organization among the Villista forces, while, on the other hand, submission to a central authority was evidenced in the replies of the Carrancistas. The unity and loyalty of the Carrancistas appeared to indicate the ultimate triumph of that faction, especially as the Carrancista forces were then in control of approximately 75 per cent of the territory of Mexico. Accordingly the conferees, after careful and impartial consideration of all the circumstances, decided unanimously to recommend severally to their respective Governments that in their opinion the government of which Gen. Carranza was the leader should be recognized as the *de facto* government of Mexico.

(4) There is appended hereto a copy of a letter from Mr. Eliseo Arredondo, the local representative of Gen. Carranza in Washington, dated October 7, 1915 (inclosure No. 4),⁷ transmitting several documents (inclosures 4A, 4B, 4C, 4D, 4E, and 4F)⁸ setting forth the program of the *de facto* Government with respect to the protection of the lives and property of foreigners in Mexico,

⁴ Printed in For. Rel. 1915, p. 771.

⁵ Id. 694.

⁶ Id. 735 and 737.

⁷ Id. 763.

the settlement of claims arising from the disturbed conditions, and other matters appertaining to the restoration of order.

As to the ability of the *de facto* Government to fulfill its promises to protect lives and properties along the border, the undersigned has the honor to call your attention to the fact that since assurances in this respect were given to this Government by the *de facto* Government, the disturbances along the border have in a large measure ceased. In this connection a copy of a letter from the Secretary of War, dated February 10, 1916 (inclosure No. 5)^a and copies of weekly reports Nos. 146 and 148 for the weeks ending January 1 and January 15, 1916, prepared by the War Department, concerning general conditions along the Mexican border (inclosures Nos. 5A and 5B)^b, are hereto appended. It will be seen from these reports that conditions along the border are practically normal.

In respect to the evidence in the possession of this Government of the ability of the *de facto* Government of Mexico to fulfill its promises and obligations relative to protecting American lives and property in Mexico, the Department's information indicates that the *de facto* Government is now in control of all but a few sections of Mexico, and that, bearing in mind that the nation is just emerging from years of domestic strife, it may be said that within the territory which it controls it is affording, in all circumstances, reasonably adequate protection to the lives and property of American citizens and that it is taking steps to extend its authority over and restore order in sections now in the hands of hostile factions. In this connection, however, it should be stated that the lawless conditions which have long continued throughout a large part of the territory of Mexico are not easy to remedy and that the great number of bandits who have infested certain districts and devastated property in such territory can not be suppressed immediately, but that their suppression will require some time for its accomplishment, pending which it may be expected that they will commit sporadic outrages upon lives and property.

(5) With reference to the protection of the lives and property of American citizens on or near the Mexican border, there is inclosed herewith an extract from a letter on the subject from the Secretary of War, dated January 26, 1916 (inclosure No. 6).

(6) With regard to the settlement of American claims against the Mexican Republic for injuries to the lives or property of American citizens, the undersigned has the honor to direct your attention to the copy of a letter from Mr. Arredondo, dated October 7, 1915, and its inclosures, heretofore referred to and hereto appended as inclosure No. 4, and its annexes.

(7) With reference to the assurances given by the Mexican Government concerning the protection of foreigners and "citizens," particularly respecting the free exercise of religion, the undersigned incloses herewith a copy of a letter on the subject from Mr. Arredondo, dated October 8, 1915 (inclosure No. 7)^c

(8) As heretofore stated, it is not considered compatible with the public interest to transmit to the Senate at the present time the correspondence regarding political conditions in Mexico. Much of this correspondence is of a highly confidential nature, submitted by the consular officers of the United States, by diplomatic or consular officers of other Governments, which have graciously consented that their officers might supply this Government with information during the necessary absence of American representatives, and by other persons residing in Mexico. To reveal the contents of the reports submitted by representatives of the United States and by the representatives of other Governments, would be incompatible with public interest, as it would tend to impair the usefulness of these officials to their respective Governments; and to make public the personal and frequently confidential statements submitted from time to time by civilians, might seriously embarrass them.

It may be added that the papers requested by the Senate resolution comprise thousands of documents, the greater part of which set forth individual opinions and suggestions from different points of view, and therefore contain a mass of divergent and contradictory matter incapable of reduction to a harmonious statement of fact regarding the situation in Mexico or of the plans proposed for its improvement.

(9) With reference to the request for "data, letters, and reports relating to the closing of the port of El Paso and reopening same to importations of meat from Juarez," the undersigned has the honor to state that the port of El Paso has not been closed during this administration to the importation of

^a Not printed.

^b For. Rel. 1915, p. 1028 (Religious orders.)

meats from Juarez. If meats from Juarez were at any time prohibited entry into the United States, it was because such meats were not properly prepared to pass the inspection maintained under the regulations of the Department of Agriculture of this Government and not because the port of El Paso was closed to any particular class of imports.

With respect to the revocation of the mining decree issued by Gen. Villa, the undersigned incloses an extract from a dispatch from the American Consul at Chihuahua, dated July 31, 1915 (inclosure No. 8),¹⁰ and a copy of the Department's reply thereto, dated August 11, 1915 (inclosure No. 8A).¹¹ There is also inclosed a copy of a telegram in regard to this matter from the Mine and Smelter Operators' Association, dated at El Paso, Tex., August 6, 1915 (inclosure No. 8B),¹² together with a copy of an undated telegram from Mr. George C. Carothers, the Department's special agent, received by the Department on August 12, 1915 (inclosure No. 8C),¹³ stating that Gen. Villa's mining decree would not be enforced.

(10) Concerning the occupation and evacuation of Vera Cruz by United States land and naval forces, the undersigned has the honor to inclose a copy of Admiral Fletcher's telegram to the Secretary of the Navy, dated April 9, 1914 (inclosure No. 9),¹⁴ quoting a telegram from Admiral Mayo, of the same date, reporting the arrest at Tampico of the paymaster and a boat's crew of the U. S. S. *Dolphin*; a copy of a letter from the Secretary of the Navy, dated January 19, 1916 (inclosure No. 9A); and an extract from a letter from the Secretary of War, dated January 26, 1916 (inclosure No. 9B), hereinbefore mentioned as inclosure No. 6, in which reference is made to border conditions.

When the arrest of the men mentioned was reported to the Department of State, informal negotiations were immediately begun with the Huertista government with a view of settling the difficulty, but, owing to the refusal of Gen. Huerta to comply with Admiral Mayo's demand for a salute, the negotiations were suspended. The American consuls in Mexico were informed by telegraph on April 20, 1914, that the negotiations had been suspended, and that the President would lay the matter before the Congress on that date, with a view to taking such action as might be necessary to obtain reparation for the offense against the flag and Navy of the United States, and they were instructed to advise Americans to withdraw from Mexican territory.

On September 15, 1914, 7 p. m., the Department of State dispatched a telegram to the Minister of Brazil at Mexico City, temporarily in charge of American interests, for delivery by him to Vice Consul Silliman, in which the latter was instructed to say to Gen. Carranza that the President was arranging to withdraw the American troops from Vera Cruz, and that he desired that some responsible authority be named to whom the customhouse could be turned over and that officials be designated to whom authority in the city could be delivered. On September 22, a telegram was sent to the Minister of Brazil, in which the Carranza government was requested to give certain assurances in regard to the payment of taxes, treatment of refugees at Vera Cruz, and other matters. A copy of this telegram is inclosed herewith (inclosure No. 10).¹⁵

On November 10, 1914, the Minister of Brazil at Mexico City telegraphed Gen. Carranza's reply to the assurances requested on September 22. A copy of this telegram is inclosed herewith (inclosure No. 11).¹⁶

I have also the honor to append a list (inclosure No. 12) of the citizens of the United States, who from various causes, have lost their lives in Mexico during the years 1913, 1914, and 1915. The total is 76. From the latter part of February, 1913, when the military operations against Gen. Huerta began, to the close of the year 1915, a period of 34 months, a great portion of the territory of Mexico was the scene of domestic strife. Yet it may be noted that during the years 1910, 1911, and 1912, when a much smaller area was disturbed by war, 47 Americans lost their lives in Mexico (inclosure No. 12A); and this was at a time when the country was assumed to be at peace, since the Madero revolution, which began on November 20, 1910, lasted only six months.

While 76 Americans lost their lives in the entire territory of Mexico during the years 1913, 1914, and 1915, in the same period there were 20 civilian

¹⁰ For. Rel., 1915, p. 930 (Protection of American mining interests.)

¹¹ Id. 935.

¹² Id. 938.

¹³ For. Rel. 1914, p. 449.

¹⁴ Id. 603.

¹⁵ Id. 618-620.

Americans and 16 American soldiers killed on American soil, adjacent to the international boundary (inclosures Nos. 12B and 12C), and during those years there were approximately 92 Mexicans killed in the same area (inclosure No. 12D).

These figures indicate that a condition of lawlessness prevailed along the border, due in large measure to factional conflicts in Mexican territory for ports of entry, and to the unfriendly personal relations existing between the American and Mexican residents in that region. The Department, however, has no reliable information as to the number of Mexicans killed on the Mexican side of the boundary and in its immediate vicinity as a consequence of this state of disorder.

Respectfully submitted,

ROBERT LANSING

DEPARTMENT OF STATE,
Washington, February 12, 1916.

[Inclosures 1-5]

[These inclosures are printed elsewhere, as indicated in the footnotes to the Secretary's letter.]

[Inclosure 6]

The Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, January 26, 1916.

MY DEAR MR. SECRETARY: Referring further to your letter of January 17, 1916, stating that the Department of State has been directed by the President to prepare an answer to Senate resolution, dated January 6, 1916, in regard to the Mexican situation, and requesting that a statement be prepared by this Department respecting the orders given to Gen. Funston for the protection of American lives and property on the Mexican border, together with any pertinent facts concerning the occupation and evacuation of Vera Cruz, Mexico, by the forces of the United States, I beg leave to advise you that the records of the Department show as follows:

1. MEXICAN BORDER

Advices having been received by the State Department indicating serious unrest and intrigue on both sides of the Mexican border, and information having been received from the Mexican Government through its Ambassador in Washington¹⁴ that bands of revolutionists were assembling at various places along the frontier of Texas, directions were issued on November 19, 1910, to the commanding generals of the Departments of Texas and Colorado to investigate the situation on the frontier and to advise the War Department as to what precautionary measures were deemed practicable and necessary. As a result of the reports received, the commanding general, Department of Texas, was authorized, under date of November 21, 1910, whenever in his judgment such act on became necessary, to send troops to aid the civil authorities in enforcing the neutrality laws, and under date of November 22, 1910, he reported to the War Department that, in pursuance of the instructions before referred to, he had sent one troop of cavalry to Del Rio and another troop to Eagle Pass, Tex.

The internal situation in Mexico having become more acute, and reports received from the State Department and the Department of Justice, as well as from officers of the Army on duty on the Mexican border, having indicated that serious disturbances were imminent, additional troops were sent to places on the border until the entire border line from the mouth of the Rio Grande to San Diego, Cal., was patrolled by United States troops in order to secure the strict enforcement of the rules of international law governing neutrality, as well as to obtain a proper observance and enforcement of the neutrality statutes of the Federal Government. To this end the proper officers were directed to use diligence to see that such rules and laws were observed. Troops have been kept on the border for the purposes stated from that time to the present writing.

¹⁴ For. Rel. 1911, p. 364.

Commanders of United States troops on the Mexican border were ordered to give all possible protection to American life and property, to warn the commanders of Mexican forces along the border to refrain from any action that would endanger American life and property on the American side of the border, and to inform them that United States forces would be used to prevent action by Mexican troops endangering life and property on the American side of the line.

Sincerely yours,

LINDLEY M. GARRISON

[Inclosures 7, 8, 8A, 8D, 8C, and 9]

[These inclosures are printed elsewhere, as indicated in the footnotes to the Secretary's letter.]

[Inclosure No. 9A]

The Secretary of the Navy to the Secretary of State

NAVY DEPARTMENT,
Washington, January 19, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of January 17, 1916, in which you inform this Department that the President has directed the Department of State to prepare a reply to Senate resolution dated January 6, 1916, requesting certain documents, letters, reports, orders, and so forth, in regard to the Mexican situation, in connection with which you request that a statement be prepared for you embodying the pertinent facts concerning the occupation of Vera Cruz by our naval forces. It is noted that you have requested the Secretary of War to have a similar statement prepared.

In compliance with your request, I have the honor to inform you that on the night of April 20, 1914, in obedience to orders from the President of the United States, Admiral Fletcher, commanding the naval forces then stationed off Vera Cruz, Mexico, was directed to seize and hold the customhouse at Vera Cruz and not to permit war supplies to be delivered to the Huerta government or to any other party. These orders were received by Admiral Fletcher at 8 a. m. on April 21. The American Consul was immediately notified and directed to send all foreigners aboard the Ward Line steamer *Mexico*, then in the harbor of Vera Cruz. The Mexican military commandant was notified of the intention of our forces to take charge of the customhouse. At 11.30 a. m. on April 21 a landing force from the U. S. S. *Florida*, *Utah* and *Prairie*, totaling 787 officers and men, of which 502 were marines, had been landed and had taken charge of the customhouse, cable station, railway station and post office at Vera Cruz. No resistance was encountered on the initial landing, but about noon the Mexican forces began firing on the American troops, so that in order to hold the customhouse it became necessary to occupy the city of Vera Cruz. Reinforcements arrived on the night of the 21st instant, and by April 24 complete control of the city was gained by the American forces. On April 24 Admiral Fletcher declared martial law in the city of Vera Cruz. Army transports arrived at Vera Cruz on April 28, and after conference with Gen. Funston, Admiral Fletcher established a civil government under martial law.

At 8 a. m. on April 30, the forces of the Army were landed from transports, and at 2 p. m. of that date control of the city was taken over by the Army. The naval forces, with the exception of the marines, were withdrawn to the vessels in the harbor, and the marines were assigned to duty with the Army.

Copies of all messages in reference to the occupation of Vera Cruz were sent to your department.

Sincerely yours,

JOSEPHUS DANIELS

[Inclosure No. 9B]

The Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, January 26, 1916.

MY DEAR MR. SECRETARY: Referring further to your letter of January 17, 1916, stating that the Department of State has been directed by the President to prepare an answer to Senate resolution dated January 6, 1916, in regard to the Mexican situation, and requesting that a statement be prepared by this

Department respecting the orders given to Gen. Funston for the protection of American lives and property on the Mexican border, together with any pertinent facts concerning the occupation and evacuation of Vera Cruz, Mexico, by the forces of the United States, I beg leave to advise you that the records of the Department show as follows:

1. MEXICAN BORDER

[This section of the letter appears above as Inclosure No. 6.]

2. OCCUPATION AND EVACUATION OF VERA CRUZ, MEXICO

Vera Cruz, Mexico, having been, by direction of the President, occupied by the naval forces of the United States, instructions were issued on April 23, 1914, to the commanding general, second division, Texas City, Tex., to cause the reinforced Fifth Brigade to embark as soon as practicable on the Army transports *Sumner*, *McClellan*, *Kilpatrick* and *Meade*, and to proceed at once to Vera Cruz.

On April 24, 1914, the four regiments of Infantry of the Fifth Brigade, together with Company E, Second Battalion of Engineers, and Field Hospital No. 3, a total of 182 officers and 3,047 enlisted men, sailed from Galveston, Tex., under the command of Brig. Gen. Funston, United States Army, and arrived in Vera Cruz Harbor on April 28, 1914, and disembarked. On April 26, 1914, the First Battalion of the Fourth Field Artillery sailed from Texas City for Vera Cruz on the chartered transport *Satilla* to join Gen. Funston's command.

On April 26, 1914, orders were issued to Gen. Funston, in compliance with instructions received from the President, upon arrival at Vera Cruz, to relieve the Navy of its duties ashore incident to the occupation and control of the city of Vera Cruz and its environs. General Funston was advised on the same date that pursuant to the orders of the President the First Brigade, United States Marine Corps, would be placed under his command for service with the Army.

On April 29, 1914, the headquarters, band, and detachment of the First Battalion, Fourth Field Artillery, and Troops I and K, Sixth Cavalry, sailed from Galveston for Vera Cruz on the chartered transport *San Marcos*; and on April 30, 1914, Company D, Signal Corps, sailed for Vera Cruz on the naval transport *Esperanza*.

Gen. Funston reported taking over from the Navy the command at Vera Cruz on the afternoon of April 30, 1914.

A military government was established by General Orders, No. 3, Headquarters, United States Expeditionary Forces, May 2, 1914. This order set forth the principle that the government established thereby would continue the system to which the people of Vera Cruz were accustomed, in so far as consistent with military control, and from that date until the evacuation the Army continued to administer the civil affairs of the city.

The executive branches of the military government established by the general order cited above consisted of the following:

The office of the provost marshal general.

The office of the treasurer.

The customs service, including the lighthouse service, to which was later added the pilot service.

The United States mail agency and the general post office.

Each of these branches was placed in charge of an officer of the Army, except the customs service, which was administered by Commander H. O. Stickney, United States Navy, as administrator of customs and captain of the port, and the United States mail agency and the general post office, which were administered by Mr. H. M. Robinson, an official of the Post Office Department, sent to Vera Cruz for the purpose.

Prior to the evacuation, instructions were issued to Gen. Funston to bring with him to the United States all funds in his possession from whatever source derived, both United States funds and Mexican custom receipts and taxes. He was also instructed to bring with him all the records, accounts, and money papers necessary to establish the integrity and accuracy of his financial and other administration, and to make an inventory of all goods in the customhouse, keeping the original of such inventory and leaving a copy with the American consul at Vera Cruz. Gen. Funston was also authorized to leave with the latter such copies of accounts or other data as might be required by whomsoever might continue the government of the city.

On November 14, 1914, as the result of an announcement issued by the State Department on November 13, 1914, Gen. Funston was directed to make all preparations to leave Vera Cruz Monday, November 23, 1914.

On November 20, 1914, Gen. Funston was instructed to evacuate Vera Cruz on the date specified above, viz, Monday, November 23, 1914.

On November 23, 1914, Gen. Funston advised the Department that he would embark his command at 2 o'clock on the afternoon of that day on the transports *Sumner, Kilpatrick, Cristobal, McClellan, Kansan, Antilla, City of Memphis, Dexter* and *San Marcos*.

On November 26, 1914, Gen. Funston reported the arrival of his command at Galveston, Tex.

Subsequently to his arrival at Galveston, Gen. Funston reported that the Mexican funds brought with him to the United States, together with the money papers pertaining thereto, had been placed for safe-keeping in the strong room of the First National Bank at Galveston, storage room for all other records of the military government of Vera Cruz having been provided by the depot quartermaster at Galveston. In this connection Gen. Funston suggested the advisability of sending the Mexican funds and the records of the treasurer's office to the subtreasury at New Orleans, La., for safe-keeping. Upon receipt of that suggestion the Department communicated at once with the Treasury Department with a view to ascertaining as to whether it would be practicable to place these funds and records in the subtreasury at New Orleans as suggested, and the Treasury Department, having signified its willingness to have the funds and records so transferred, Maj. Blanton Winship, Judge advocate, United States Army, who had immediate charge of these funds and records, was advised accordingly.

On January 1, 1915, Maj. Winship reported that he had on that date shipped to the subtreasury at New Orleans, La., one field safe, sealed, containing 1,530,051.20 Mexican pesos, and the books and records pertaining to the military treasurer's office, together with one sealed wooden box containing 1,065,000 Mexican pesos, or a net total of 2,604,051.20 pesos.

On January 12, 1915, the Department advised the Secretary of State of the transfer of the Mexican funds and records, as set forth above.

Sincerely yours,

LINDLEY M. GARRISON

[Inclosures 10 and 11]

[These inclosures are printed elsewhere, as indicated in the footnotes to the Secretary's letter.]

[Inclosure No. 12—Extract]

Americans killed in Mexico during the years 1913, 1914 and 1915

The list of Americans killed in Mexico during the period mentioned above is subdivided into five classes as follows:

(1) Americans killed in Mexico from causes that can be attributed directly to the revolutionary disturbances.....	18
(2) Americans who have disappeared in Mexico in 1913, 1914 and 1915 and who were probably killed from causes that can be attributed directly to the revolutionary disturbances.....	6
(3) Americans killed, apparently through motives of robbery or revenge (not including those killed by Indians).....	10
(4) Americans killed by Indians, apparently through motives of robbery or revenge.....	12
(5) Americans killed in Mexico during the revolutionary disturbances in the years 1913, 1914 and 1915 from miscellaneous causes and causes not definitely stated.....	30
Grand total of Americans killed during the period mentioned.....	76

[List of names]

In this connection it may be stated that when the murder of American citizens was reported the Department of State made representations, through its representatives, for the apprehension and punishment of the

assallants; and in some instances the Department's representatives made such representations to the appropriate officials on their own initiative.

Where there has been no definite information as to the apprehension of those reported to be guilty of outrages on American citizens, resulting in their death, a notation to that effect has been omitted from these lists for the sake of brevity.

[Inclosure No. 12A—Extract]

Americans killed in Mexico in 1910, 1911 and 1912

[List of names]

Total number of Americans killed in Mexico in 1910, as shown above	10
In 1911 -----	22
In 1912 -----	15
Grand total -----	47

[Inclosure No. 12B—Extract]

American civilians reported killed in United States territory

Americans reported killed in United States territory as a result of the Mexican border troubles during the years 1913, 1914 and 1915:

[Names]

Total number of Americans reported killed as above, 20.

[Inclosure No. 12C—Extract]

American soldiers killed in United States territory

American soldiers killed in American territory on account of Mexican border troubles:

[Names]

Total number of American soldiers killed as above, 16.

[Inclosure No. 12D]

Mexicans reported killed in American territory

Mexicans reported killed in American territory as a result of border troubles other than those resulting from firing across the international line during engagements in Mexican border towns during the period 1913 to 1915, inclusive:

1913 -----	2
1915 -----	87

NOTE.—One is said to have been killed by Carranza river guards and one was reported killed by Villa soldiers.

Mexicans reported killed in American territory as a result of firing across the international line during engagements in Mexican border towns during the period 1913 to 1915, inclusive:

1913 -----	1
1914 -----	2

NOTE.—For the years omitted in above tabulation no deaths appear to have been reported.

Total number of Mexicans killed as above, 92.

[Summary of Inclosures 12B, 12C and 12D]

Total killed in American territory

Total number of Americans killed on the American side as shown by foregoing list	20
Total number of American soldiers killed in United States territory as shown by foregoing list	16
Total number of Mexicans killed	92
Grand total	128

NOTE.—The lists of American civilians and soldiers killed on American territory, as above stated, are thought to be substantially correct. However, many of the border troubles occurred at a point in the interior of border States, where the local authorities had sole jurisdiction, and there were probably a number of persons killed of which no report was made to the State or War Department. The number of Mexicans killed, as shown above, is based on reports received by the State Department and is thought to be approximately correct.

File No. 123 R 61/167a

The Secretary of State to Consul General Rodgers

DEPARTMENT OF STATE,
Washington, February 28, 1916.

SIR: You are hereby instructed to proceed to Mexico for duty as Special Representative of the Department of State near the *de facto* Government of Mexico, for the purpose of carrying out the instructions which have been orally given to you at the Department and such other instructions as may from time to time be issued to you.

You are authorized to travel to such points in Mexico as you may find necessary in the carrying out of these instructions and your actual and necessary expenses will be paid by the Department upon rendition by you of a separate account supported by proper vouchers.

I am [etc.]

ROBERT LANSING

File No. 812.00/17340

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, March 3, 1916, 2 p. m.

Villa left Pacheco Point, near Madeara, March 1 with 300 men headed towards Columbus, New Mexico. He is reported west of Casas Grandes today. There is reason to believe he intends to cross to the United States and hopes to proceed to Washington. Please consider this possibility and the necessity of instructions to us on the border.

COBB

File No. 812.115C96/116

Special Agent Silliman to the Secretary of State

[Telegram]

GUADALAJARA, [undated; received March 5, 1916.]

Department's February 16, 5 p.m. Foreign Secretary says: "Sufficient forces have been ordered to garrison all Cusiuhiriachic region."

SILLIMAN

File No. 812.00/17355

Collector Cobb to the Secretary of State

[Telegrams]

EL PASO, March 6, 1916. 1 p. m.

Commanding General Gavira in Juarez announced to reporters this morning that Villa was proceeding to border and that he had asked American military authorities to be on lookout for him.

COBB

File No. 812.00/17361

EL PASO, March 7, 1916, 8 p. m.

Deputy, Columbus, phones report that Villa with estimated 400 men is on river southwest of Columbus, 15 miles west and 50-odd miles south, where they stopped round-up of cattle by employees of Palomas Land & Cattle Co.

COBB

File No. 812.00/17368

EL PASO, March 8, 1916, 2 p. m.

Villa forces south of Columbus have not been attacked and are not being pursued, according to private admissions in Juarez, because of insufficient troops under Juarez command and failure of detachments from Chihuahua.

COBB

File No. 812.00/17369

EL PASO, March 8, 1916, 3 p. m.

Carranza Consul has called on Carranza for troops. This situation is putting Carranza Government to a critical test. If Villa is permitted to remain in the open as at present, without efficient action by the Carranza forces, it will encourage border opposition to Carranza and tend greatly to undermine the *de facto* Government.

COBB

File No. 125.36532/123

The Secretary of State to Special Agent Carothers

[Telegram]

DEPARTMENT OF STATE,
Washington, January 12, 1915.

You will travel with Villa until we can find someone to take your place, a difficult task, owing to the limited number of persons possessing the requisite qualifications, namely, loyalty to the administration, having the friendship of Villa and a knowledge of the Spanish language. Keep us fully informed as to progress of events.

BRYAN

File No. 812.00/17367

Special Agent Carothers to the Secretary of State

[Telegram]

EL PASO, [undated; received March 8, 1916.]

General Villa is reported to be at Nogales Ranch, about 25 miles from border and 65 miles from Hachita, New Mexico. Indications are that he is going west into Sonora.

CAROTHERS

File No. 812.00/17377

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, March 9, 1916, 9 a. m.

Following from Deputy Collector, Columbus, New Mexico:

Columbus attacked this morning, 4.30 o'clock. Citizens murdered. Repulsed about 6 o'clock. Town partly burned. They have retreated to west. Unable to say how many were killed.

Department of Justice informed that between 400 and 500 Villa troops attacked Columbus, New Mexico, about 4.30. Villa probably in charge. Three American soldiers killed and several injured; also killed four civilians and wounded four. Several of attacking party killed and wounded by our forces. Attacking party also burned depot and principal buildings in Columbus. United States soldiers now pursuing attacking parties across the line into Mexico. No prisoners reported taken alive.

COBB

File No. 812.00/17382

Special Agent Carothers to the Secretary of State

[Telegram]

EL PASO, March 9, 1916, 10 a. m.

Early this morning Villa attacked American garrison at Columbus, setting fire to several buildings and killing several American soldiers. Twenty-three Villistas were killed. It is believed Villa led attack in person.

CAROTHERS

File No. 812.00/17384

Consul Letcher to the Secretary of State .

[Telegram]

CHIHUAHUA, March 9, 1916, 3 p. m.

General Gutierrez has informed me of Columbus attack by Villa requesting that I inform the Government of the United States that orders have been given for capture of the banditti from Mexican side.

LETCHER

File No. 812.00/17386

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, March 9, 1916, 4 p. m.

Villa thought to have gone back to his camp at point described in my March 7, 8 p. m. Villa positively with attacking party in Columbus.

COBB

File No. 812.00/17450

General Pershing to General Funston

[Telegram]

FORT BLISS, March 9, 1916.

Slocum reports by telephone and asks me to repeat that Villa himself led charge through camp with force estimated at 500 to 1000. Eleven Mexicans killed in camp and 23 killed altogether so far. Four enlisted men killed and one officer, and seven men wounded. Prisoners state Villa very bitter, vowing death to all Americans. Villa retreated into the hills southeast. Slocum sent five troops in pursuit, with orders not to go more than two miles beyond the border. Slocum thinks he has enough to handle situation and recommends that cavalry be sent if any number of troops are to go after Villa.

PERSHING

File No. 812.00/17382

The Secretary of State to Special Agents Silliman and Belt

[Telegram]

DEPARTMENT OF STATE,

Washington, March 9, 1916, 4 p. m.

Official reports just received from El Paso state that General Villa with several hundred men early this morning attacked American garrison at Columbus, New Mexico, setting fire to principal buildings in town and killing a number of soldiers and civilians. Other official reports from El Paso state that Villa's forces were well known to be in the Casas Grandes district several days ago, but that the forces of the *de facto* Government were said to be insufficient to pursue them; also that, about that time, the Mexican Consul at El Paso requested General Carranza to furnish additional troops for the State of Chihuahua.

Convey foregoing to General Carranza for his information and advise him that this Government is suspending judgment until further facts can be learned, but you may say to him that this appears to be the most serious situation which has confronted this Government during the entire period of Mexican unrest and that it is expected that he will do everything in his power to pursue, capture, and exterminate this lawless element which is now proceeding westward from Columbus.

LANSING

File No. 812.00/17358

Consul Letcher to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Chihuahua, March 9, 1916, 6 p. m.

State military commander informs me that 250 cavalry left Guzman 6 this morning to intercept Villa and that other bodies are being moved north; also 350 cavalry are being sent to Ojinaga. He expresses willingness to cooperate with the Government of the United States in capture Villa.

LETCHEE

File No. 812.00/17389

Consul Edwards to the Secretary of State

[Telegram]

EL PASO, March 9, 1916, 7 p. m.

General Gavira, in charge of this district, frankly admits that there is only a small garrison at Palomas, opposite Columbus, and no cavalry; he also admits that the Carranza Government can give but little assistance in running down the Villa band. The general does not as yet resent the crossing of the United States soldiers in pursuit of Villa. This Consul is of the opinion, however, that to remain too long on Mexican soil would bring a change of attitude. The Consul is therefore endeavoring to again call attention of the Americans to this danger. There is very little confidence placed in Carranza's ability to protect. The garrison at Juarez does not exceed 300 men and very poorly equipped.

EDWARDS

File No. 812.00/17394

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, March 10, 1916, 11 a. m.

Deputy, Columbus, phones that best information obtainable is that Villa had about 400 men in Columbus attack. This is supplemented by statements by Villa captives brought north that Villa had large force, some say 2000, in reserve, which he has probably rejoined.

COBB

File No. 812.00/17396

General Funston to the Adjutant General

[Telegram]

FORT SAM HOUSTON, March 10, 1916

980. It is opinion of Colonels Dodd and Slocum, in which I concur, that unless Villa is relentlessly pursued and his forces scattered he will continue raids. As troops of Mexican Government are accomplishing nothing and as he can consequently make his preparations and concentrations without being disturbed he can strike at

any point on the border, we being unable to obtain advance information as to his whereabouts. If we fritter away the whole command guarding towns, ranches and railroads it will accomplish nothing if he can find safe refuge across the line after every raid. Although probably not more than 1000 took part in Columbus raid he is believed to have about 3000. Even if he should not continue raids he has entered on a policy of merciless killing of Americans in Mexico. To show apathy and gross inefficiency of Mexican Government troops, an American woman held prisoner by Villa for nine days but who escaped in Columbus fight states that during all that time he was undisturbed at no great distance from border collecting a force of about 3000. The few Carranza troops in the region fled, losing all contact with him and not even informing us as to his whereabouts.

FUNSTON

FORT SAM HOUSTON, March 10, 1916.

981. Under circumstances I believe Colonel Slocum entirely justified in violating War Department's order relative to sending troops across border and am of opinion that had he not done so Villa might immediately have returned to attack after being joined by his men left south of line. Had our force not been so small pursuit would have been continued.

FUNSTON

File No. 812.00/17398

The Adjutant General to General Funston

[Telegram]

WAR DEPARTMENT,
Washington, March 10, 1916.

President has directed that an armed force be sent into Mexico with the sole object of capturing Villa and preventing any further raids by his band, and with scrupulous regard to sovereignty of Mexico. Secretary War directs you telegraph exactly what you need in order to carry out foregoing general instructions, but you will not take any overt steps until receipt definite orders from War Department.

McCain

File No. 812.00/17413

Special Agent Belt to the Secretary of State

[Telegram]

IRAPUATO, March 10, 1916, 11 a. m.

Department's March 9, 4 p. m. At request of Mr. Silliman, presented this representation as soon after departure from Guadalajara as possible. General Carranza requested that I first present matter to Secretary Acuña, upon which I advised him that, owing to extreme importance of matter, I trusted he would handle it personally. Secretary Acuña advised me that they were in receipt of the news of attack last night at 8 o'clock. After presenting Department's rep-

resentation, dwelling upon the very serious situation, his first remark was: "The fact that Villa and his forces have entered United States territory is evidence of the strength of the *de facto* Government's forces." I have conferred at length with him and have urged the necessity of a full reply to this representation inasmuch as the position of the *de facto* Government in the matter would be clearly set forth. He promised to immediately take up this representation with the Chief Executive. He further assures me that the two of us can jointly take up the matter with the Chief. I have asked for an answer to the six following questions as a basis for a fuller understanding of the facts:

(1) Was the *de facto* Government aware of the presence of Villista troops in the Casas Grandes district?

(2) Did the Mexican Consul at El Paso request General Carranza to furnish additional troops for the State of Chihuahua?

(3) Upon receipt of this advice, what action was taken by the *de facto* Government to furnish additional forces?

(4) What effective action will be taken by the *de facto* Government to pursue, capture and punish this lawless element, especially as pertains to Villa and those responsible for the Columbus atrocity?

(5) Will the Chief Executive return to Querétaro direct owing to the seriousness of this situation?

(6) What expression does the Chief Executive care to make for the information of the Government of the United States pertaining to this serious question?

Secretary Acuña said he would endeavor to answer these questions.

JOHN W. BELT

File No. 812.00/17426a

The Secretary of State to all American Consular Officers in Mexico

[Telegram]

DEPARTMENT OF STATE,

Washington, March 10, 1916, 6 p. m.

The following statement has just been given to the press by the President:

An adequate force will be sent at once in pursuit of Villa with the single object of capturing him and putting a stop to his forays. This can and will be done in entirely friendly aid of the constituted authorities in Mexico and with scrupulous respect for the sovereignty of that Republic.

LANSING

File No. 812.00/17408

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, March 10, 1916, 8 p. m.

Indications are that Carranza authorities will resent American troops entering Mexico. They are rushing troops to Juarez as, I think, predicate to claiming ours unnecessary. Ours are necessary.

COBB

File No. 812.00/17415

Special Agent Silliman to the Secretary of State

[Telegram]

GUADALAJARA, March 10, 1916, midnight.

Following just received from Secretary Acuña, which is transmitted in Spanish immediately to save time:

The Secretary for Foreign Affairs to Special Agent Silliman

[Translation]

IRAPUATO, March 10, 1916, 11 p. m.

In reply to your courteous note of yesterday, forwarded today by Mr. John W. Belt, I have the honor to inform you that upon my making the said note known to the citizen First Chief of the Constitutionalist Army in charge of the Executive Power of the Nation, he directed me to say to you, who will have the kindness to repeat it to the Department of State of the Government of the United States, that—

The First Chief is pained to hear of the lamentable occurrence at Columbus, New Mexico, on the occasion of the attack upon it yesterday by bandits led by Francisco Villa.

Although there has been in the State of Chihuahua a sufficient force to restore order and afford guaranties to nationals and foreigners, since Francisco Villa began operations in the mountains of that State, the Chief Executive, at the request of the Governor of Chihuahua and of the Consul at El Paso, ordered 2,500 men under command of General Luis Gutiérrez to pursue the bandits who have just crossed into the territory of the United States, who made this move doubtless because they were driven to it by the persistent pursuit conducted by the said command of General Gutiérrez.

The deplorable incident above mentioned bears some resemblance to the raids into the States of Sonora and Chihuahua by Indians from the reservations of the Government of the United States. The Sonora raid took place about the year 1880 when the Indian Geronimo (recently deceased at Ft. Mount, Alabama) with a large horde invaded a community in the northern part of Sonora and committed a number of murders and depredations, taking the lives and property of Mexican families until, after a long and persistent pursuit by Mexican and American forces, the band was annihilated and its chief captured. The invasion of Chihuahua by the Indian Victor followed by eight hundred Indians took place from 1884 to 1886. At that time the bands went as far as the towns of Tejoloche and Tres Castillos, very near the capital of Chihuahua, committing many crimes. At their first real battle with the Mexican forces they lost their chief and scattered.

In both these cases an agreement between the Governments of the United States and Mexico provided that armed forces of either country might freely cross into the territory of the other to pursue and chastise those bandits.

Bearing in mind these precedents and the happy results to both countries yielded by the agreement above referred to, the Government over which the citizen First Chief presides, desiring to exterminate as soon as possible the horde led by Francisco Villa, who was recently outlawed, and to capture Villa and adequately punish him, applies through you, Mr. Confidential Agent, to the Government of the United States and asks that the Mexican forces be permitted to cross into American territory in pursuit of the aforesaid bandits led by Villa, upon the understanding that, reciprocally, the forces of the United States may cross into Mexican territory, if the raid effected at Columbus should unfortunately be repeated at any other point on the border.

The Government of Mexico would highly appreciate a prompt and favorable decision by the Government of the United States.

Accept [etc.]

ACUÑA,

In charge of the Department of Foreign Relations.

SILLIMAN

File No. 812.00/17501

First Chief Carranza to Mr. Arredondo

[Telegram]

[Read to the Secretary of State, March 12, 1916, 4 p. m.]

QUERÉTARO, March 11, 1916.

Your messages dated yesterday. I confirm my message to you transmitting note sent to the American Government and I am awaiting the result of it. There is no reason why, on account of the lamentable incident at Columbus, we should be carried to a declaration of war between the two countries. But if, unfortunately and because of the pressure of our enemies, who have been seeking intervention at all cost, war should be declared, the Constitutionalist Government over which I preside, supported by the Mexican people, shall make use of all means possible to repel such an unjust and outrageous war. If the Government of the United States does not take into consideration the mutual permission for American and Mexican forces to cross into the territory of one another in pursuit of bandits and insists in sending an operating army into Mexican soil, my Government shall consider this act as an invasion of national territory. It is necessary that the Department of State should be caused to understand that it would be unjust to attribute to the Government and people of Mexico the responsibility for the acts committed by a band of brigands which this Government has placed beyond the law, and that there would be no justification for any invasion of Mexican territory by an armed force of the United States, not even under the pretext of pursuing and capturing Villa to turn him over to the Mexican authorities. It is inconceivable that the Government of the United States should resort to such means to capture Villa, as the only result would be to facilitate his impunity to leave the country and to bring about a war between two countries, with the numberless loss of life and property, without such loss serving to avenge the crimes which the American Government is endeavoring to punish. Such war would be the most unjust which modern history would record and it would also be an evident proof of the lack of sincerity of the American Government, in whose capital the Pan American Conference has just been held and before which President Wilson and the Secretary of State expressed sentiments of fraternity among all nations of the American continent. Such war, furthermore, would only serve for the American Government to satisfy the deliberate purpose of Francisco Villa and the reactionaries who have induced him to commit the crimes he did at Columbus, as his only aim was to provoke armed intervention by the United States in Mexico. Francisco Villa and the other traitors who are seeking the above results will avoid the struggle; and the only ones who would go to it would be honest Mexicans who have in no way provoked it. I will [not?] go into further considerations on the matter, as the right and justice of our side is so clear that no other than the reasons hereinbefore given are necessary, which you will set forth in bringing this delicate question to the attention of the Secretary of State.

V. CARRANZA

File No. 812.00/17458

Special Agent Belt to the Secretary of State

[Telegrams]

QUERÉTARO, March 12, 1916, midnight.

La Opinión, the only Mexican paper published in Querétaro, issued at 11 tonight an extra containing the following:

[Translation]

The First Chief of the Revolution issues an appeal to the people to be prepared for any emergency that may arise. I have not yet received any reply from the American Government and, from the reports sent in to the First Chief by the military commanders along the boundary line, I know that forces of the United States are being mobilized to cross into Mexican territory for the purpose, according to President Wilson's declarations published in the American press, to pursue and try to capture Villa and then deliver him up to the Mexican authorities, protesting that the expedition is nothing but punitive in its character and that the sovereignty of Mexico will be respected.

The Constitutionalist Government has suitably instructed the Confidential Agent of Mexico at Washington immediately to make the pertinent representation, for it will not admit, under any circumstances and whatever may be the reasons advanced and the explanation offered by the Government of the United States about the act it proposes to carry out, that the territory of Mexico be invaded for an instant and the dignity of the Republic outraged.

I am sure I am voicing the national sentiment and that the Mexican people will worthily perform their duty, no matter what sacrifices they may have to undergo in the defense of their rights and sovereignty.

If we should unfortunately be plunged into a war which the Government of the United States can never justify, the responsibility for its disastrous consequences will not lie with us but with those who serve as tools for the purposes of treacherous Mexicans who have labored within and without the country to bring about this result but upon whom the inexorable justice of the people will fall.

As this news might arouse the minds of our fellow-countrymen, I specially recommend that you exercise the utmost prudence and endeavor to maintain order while extending every guaranty to the North American citizens residing in your State.

With affectionate greetings:

V. CARRANZA

JOHN W. BELT

File No. 812.00/17456

QUERÉTARO, March 13, 1916, 10 a. m.

During conference with Secretary Foreign Relations this morning he stated to me: "Should war result over the Columbus affair the position of the United States would be that of assisting the reactionaries as against the Constitutionalist Government."

JOHN W. BELT

File No. 812.00/17415

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,

Washington, March 13, 1916, 3 p. m.

Your March 10, midnight. You are instructed to reply as follows to Secretary Acuña's note of March 10:

The Government of the United States has received the courteous note of Señor Acuña and has read with satisfaction his suggestion for reciprocal privileges to the American and Mexican authorities in the pursuit and apprehension of outlaws who infest their respective territories living along the

international boundary, and who are a constant menace to the lives and property of residents of that region.

The Government of the United States, in view of the unusual state of affairs which has existed for some time along the international boundary and earnestly desiring to cooperate with the *de facto* Government of Mexico to suppress this state of lawlessness, of which the attack on Columbus, New Mexico, is a deplorable example, and to insure peace and order in the regions contiguous to the boundary between the two Republics, readily grants permission for military forces of the *de facto* Government of Mexico to cross the international boundary in pursuit of lawless bands of armed men who have entered Mexico from the United States, committed outrages on Mexican soil, and fled into the United States, on the understanding that the *de facto* Government of Mexico grants the reciprocal privilege that the military forces of the United States may pursue across the international boundary into Mexican territory lawless bands of armed men who have entered the United States from Mexico, committed outrages on American soil, and fled into Mexico.

The Government of the United States understands that in view of its agreement to this reciprocal arrangement proposed by the *de facto* Government the arrangement is now complete and in force and the reciprocal privileges thereunder may accordingly be exercised by either Government without further interchange of views.

It is a matter of sincere gratification to the Government of the United States that the *de facto* Government of Mexico has evinced so cordial and friendly a spirit of cooperation in the efforts of the authorities of the United States to apprehend and punish the bands of outlaws who seek refuge beyond the international boundary in the erroneous belief that the constituted authorities will resent any pursuit across the boundary by the forces of the Government whose citizens have suffered by the crimes of the fugitives.

With the same spirit of cordial friendship the Government of the United States will exercise the privilege granted by the *de facto* Government of Mexico in the hope and confident expectation that by their mutual efforts lawlessness will be eradicated and peace and order maintained in the territories of the United States and Mexico contiguous to the international boundary.

Sent in duplicate to you and Belt.

LANSING

File No. 812.00/17455

Special Agent Belt to the Secretary of State

[Telegram]

QUERÉTARO, March 13, 1916, 6 p. m.

Department's March 13, 3 p. m., reply of United States to *de facto* Government's note of March 10. Columbus border situation, received at 5 this afternoon. Personally presented this important communication orally and in writing to Foreign Secretary Acuña at 5.30 p. m. He read same in my presence and afterwards stated:

I am pleased to receive a reply of this character from the Government of the United States. It will relieve the very delicate situation that has developed owing to the Columbus affair.

I will immediately transmit this reply to the Chief Executive and am of the opinion that there will be a reply to this courteous note expressing appreciation of same. In this event I shall deliver it to you immediately for transmittal to the Government of the United States.

It was plainly evident that the reply created a most favorable impression and an already delicate situation has thus been remedied. Personally I expressed to him my satisfaction that it was my privilege to present a note which would of itself render the relations of Mexico and the United States most cordial.

BELT

File No. 812.00/17457

The Adjutant General to General Funston

[Telegram]

WAR DEPARTMENT,
Washington, March 13, 1916.

922. The President desires that your attention be especially and earnestly called to his determination that the expedition into Mexico is limited to the purposes originally stated, namely the pursuit and dispersion of the band or bands that attacked Columbus, N. M., and it is of the utmost importance that no color of any other possibility or intention be given and, therefore, while the President desires the force to be adequate to disperse the bands in question and to protect communications, neither in size nor otherwise should the expedition afford the slightest ground of suspicion of any other or larger object.

McCain

File No. 812.00/17743

*The Secretary of State to Mr. Arredondo*DEPARTMENT OF STATE,
Washington, March 13, 1916.

MY DEAR MR. ARREDONDO: I enclose for your information and for that of the *de facto* Government of Mexico a statement which the President has authorized me to make public.

With warm regards [etc.]

ROBERT LANSING

[Inclosure]

In order to remove any apprehension that may exist either in the United States or in Mexico, the President has authorized me to give in his name the public assurance that the military operations now in contemplation by this Government will be scrupulously confined to the object already announced, and that in no circumstances will they be suffered to trench in any degree upon the sovereignty of Mexico or develop into intervention of any kind in the internal affairs of our sister Republic. On the contrary, what is now being done is deliberately intended to preclude the possibility of intervention.

File No. 812.00/17468a

*The Secretary of State to certain American Consuls on the Mexican Border*¹⁷

[Circular telegram]

DEPARTMENT OF STATE,
Washington, March 13, 1916, 6 p. m.

Send daily telegraphic report of temper of populace on border, in your district, and keep Department advised of name of Mexican commander where you are stationed.

LANSING

¹⁷ Sent to the Consuls at Brownsville, Laredo, Eagle Pass, El Paso and Nogales.

File No. 812.00/17455

*The Acting Secretary of State to all American Consular Officers in Mexico*¹⁸

[Circular telegram]

DEPARTMENT OF STATE,
Washington, March 14, 1916, 8 p. m.

Department's March 10, 6 p. m. This Government's expedition will shortly enter Mexico with sole object of pursuing and capturing Villa and his band for the outrage committed at Columbus, New Mexico, on March 9, when at least 16 Americans were killed, principal buildings burned, *et cetera*. Upon the determination of this Government to send a punitive expedition into Mexico becoming known, the *de facto* Government proposed that reciprocal privileges be granted should armed bands from the American side raid Mexican territory. Department's representative near General Carranza last night delivered a note to the Mexican Foreign Secretary, in response to the proposal of the *de facto* Government, granting permission for Mexican soldiers to cross international boundary in pursuit of lawless bands who may enter Mexico from the United States, commit outrages in Mexican territory, and thereafter return to the United States. After presentation note, Foreign Secretary informally stated he was pleased with same, and predicted that it would relieve delicate situation developed by Columbus affair.

POLK

File No. 812.00/17524a

The Acting Secretary of State to Special Agent Belt

[Telegram]

DEPARTMENT OF STATE,
Washington, March 15, 1916, 1 p. m.

Our advices from our representatives and military commanders along the border indicate that the officers of the Mexican Government do not seem to understand that the attitude of the *de facto* Government is to tolerate our troops crossing the border for the purpose of assisting in the capture of Villa. Local commander at Palomas just south of Columbus states that he will oppose entry of United States troops pursuing Villa unless he receives instructions to the contrary. He has received no orders. Troops on point of crossing border at this place. Ascertain and telegraph at once whether any instructions have been given by General Carranza to his military commanders as to course they should pursue in the event of our troops crossing the border to assist in the capture of Villa and whether this particular officer has asked for instructions. Also tactfully and unofficially find out probable attitude of General Carranza if our troops crossed border in face of protest of local commander.

POLK

¹⁸ The same to Mr. Parker, representing American interests in Mexico; the same, for their information, to all American missions in Central and South America and in Europe, Japan and China.

File No. 812.00/17491

Special Agent Silliman to the Secretary of State

[Telegram]

QUERÉTARO. March 15, 1916, 9 p. m.

Met with the new Secretaries Foreign Relations, and War and Marine, together with late Secretary Foreign Relations, in an unofficial, informal, friendly conference this afternoon. First-mentioned said substance of reply to American note had been agreed upon but it would not be formulated or presented until excessively special message of confidential character had been sent to the Mexican confidential agent Washington for delivery to the Secretary of State.

Upon being asked whether it could be said in advance what would be the attitude of the Mexican Government of [sic] the announced plan of sending American troops into Mexico for the immediate pursuit and capture of Villa, all the Secretaries said the attitude would be one of approval and acquiescence. Secretary of War added that his commanders would be instructed to cooperate with the American commanders in the campaign.

SILLIMAN

Congressional Resolution of March 17, 1916

Senate Concurrent Resolution No. 17,
64th Congress, 1st session.

Whereas it is understood that the President has ordered or is about to order the armed forces of the United States to cross the international boundary line between this country and Mexico for the pursuit and punishment of the band of outlaws who committed outrages on American soil at Columbus, New Mexico; and,

Whereas the President has obtained the consent of the *de facto* Government of Mexico for this punitive expedition; and

Whereas the President has given assurance to the *de facto* Government that the use of this armed force shall be for the sole purpose of apprehending and punishing said lawless band, and that the military operations now in contemplation will be scrupulously confined to the object already announced, and that in no circumstance will they be suffered to trench in any degree upon the sovereignty of Mexico or develop into intervention of any kind: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the use of the armed forces of the United States for the sole purpose of apprehending and punishing the lawless bands of armed men who entered the United States from Mexico on the ninth day of March, 1916, committed outrages on American soil, and fled into Mexico, is hereby approved; and that the Congress also extends this assurance to the *de facto* Government of Mexico and to the Mexican people that the pursuit of said lawless band of armed men across the international boundary line into Mexico is for the single purpose of arresting and punishing the fugitive band of outlaws; that the Congress, in approving the use of the armed forces of the United States for the purposes announced, joins with the President in declaring

that such military expedition shall not be permitted to encroach in any degree upon the sovereignty of Mexico or to interfere in any manner with the domestic affairs of the Mexican people.

File No. 812.00/17539

General Funston to the Adjutant General

[Telegram]

FORT SAM HOUSTON, [undated; received at the War Department, March 17, 1916, 6.21 p. m.]

1071. I did not know until to-day that John J. Pershing (Brig. Gen.) is with column from Culberson's, N. M., instead of one from Columbus, N. M. Personal letter written by him from Columbus on 15th instant states that as soon as he got column across the border at Columbus he would go to Culberson's, and with force there make rapid advance on Casas Grandes, Chihuahua, in hope of getting behind Villa before his purpose is discovered. March to Ascension, Chihuahua, of main body from Columbus is being directed by De Rosy C. Cabell (Lt. Col. 10th Cav.), Chief of Staff. Dispatch from Cabell, first received, states Culberson column left there March 16, 1 a. m.

FUNSTON

File No. 812.00/17528a

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, March 18, 1916, 6 p. m.

Request General Carranza to issue necessary orders to appropriate Chihuahua authorities to permit this Government to transport supplies for American troops now in pursuit of Villa and his band over the Northwestern Railway from Juarez to Casas Grandes or its vicinity. In making the request you will remind General Carranza of this Government's courtesy to him in repeatedly allowing his forces to use the railroads of this country. Telegraph reply as quickly as possible.

POLK

File No. 812.00/17525

Special Representative Rodgers to the Secretary of State

[Telegram]

QUERÉTARO, March 18, 1916, 6 p. m.

Department's March 15, 1 p. m., to Belt, only received 10 o'clock, 18th.

Matter taken up at once with War Department. Am informed there is now complete understanding between Mexican and American forces. Everything proceeding satisfactorily.

RODGERS

File No. 812.00/17920

*Mr. Arredondo to the Secretary of State*WASHINGTON, *March 18, 1916.*

MR. SECRETARY: Reiterating the conversation I had today with Mr. Polk, Acting Secretary of State, in regard to the crossing of troops into Mexican territory, I am directed by my Government to bring to your excellency's attention, that the Chief Executive of Mexico is in receipt of reliable information that without the knowledge of or advice to the nearest civil or military authorities, and without any intelligence between the Government of the United States and my Government, an expedition described as punitive, for the purpose of pursuing Villa and his band, has entered Mexican territory, via Palomas. Complying with the above instructions, I am directed to apprise your excellency of the above fact and to say that my Government, upholding, on its part, the propositions contained in its note of the 10th inst., is of the opinion that these terms and conditions of an agreement which should be formally entered into between both countries, have not been fixed concerning the crossing of troops, in order that one Government and the other should feel authorized to send an expedition. The consent expressed by my Government in regard to the crossing of armed troops over our frontier line, is being erroneously understood by taking it for granted that the crossing of a military expedition in pursuit of Villa has been permitted, and, furthermore, by the intent to have troops move over the line of the Northwestern Railway of Mexico, which runs between Ciudad Juarez and the southern part of the State of Chihuahua, inasmuch as the above-mentioned note states with perfect clearness that this Government is disposed to act within the terms of strict reciprocity, if unfortunately, from now on, any incursions, similar to the one at Columbus or of any other character and at any other point of the line, should occur; therefore, the above-mentioned note should and must not be understood as tolerating or permitting any expeditions into the national territory. I am also instructed to make it clear to your excellency that the Mexican Government cannot authorize right off the crossing into our territory of expeditions of American forces before the terms of the above mutual agreement are definitely and concisely fixed, and I am instructed to assure you, Mr. Secretary, that my Government is studying with the urgency the case demands the propositions of the agreement to be submitted in due form, and as early as possible, so that it may determine for once and at all times the matter in question.

With assurances [etc.]

E. ARREDONDO

File No. 812.00/18490

*Mr. Arredondo to the Acting Secretary of State*WASHINGTON, *March 18, 1916.*

MY DEAR MR. POLK: I beg leave to transmit to you, herewith, copy in translation of the substance of the message from the Secretary for Foreign Affairs of Mexico, which I read to you this afternoon.

With the assurances [etc.]

E. ARREDONDO

[Inclosure]

The office of the First Chief has received reliable information, that without the knowledge of, or any advice to, the nearest civil or military authorities, and without any communication from the Government of the United States to this Government, an expedition described as punitive, for the purpose of pursuing Villa and his band, has entered Mexican territory, via Palomas. Complying with superior orders, you are directed to bring the above facts to the attention of the American Government and to say to the Secretary of State, that this Government, standing on its part by the propositions contained in its note of the 10th instant, is of the opinion that the terms and conditions of the agreement which should be formally entered into between both countries, have not been fixed regarding the crossing of troops, in order that one Government and the other should feel authorized to send any expedition. The consent expressed by this Government in regard to the crossing of armed troops over the frontier lines, is being erroneously understood by taking it for granted that the crossing of a military expedition in pursuit of Villa has been permitted, and, furthermore, by the intent to have troops moved over the line of the Northwestern Railway of Mexico, which runs between Ciudad Juarez and the southern part of the State of Chihuahua, inasmuch as the above-mentioned note states with perfect clearness that this Government is disposed to act within the terms of strict reciprocity, if, unfortunately, from now on, any incursions similar to the one at Columbus or of any other character at any other point of the line should occur; therefore, the above-mentioned note should not and must not be understood as tolerating or permitting any expeditions into the national territory. Please also make it clear to the Secretary of State that the Mexican Government cannot authorize right off the crossing into our territory of expeditions of American troops before the terms of the above mutual agreement are definitely and concisely fixed, and you may assure the Secretary that this Government is studying with the urgency the case demands the propositions of the agreement to be submitted in due form and as early as possible, so that it may determine for once and all time the matter in question.

File No. 812.00/17920

The Acting Secretary of State to Mr. Arredondo

DEPARTMENT OF STATE,
Washington, March 19, 1916.

MY DEAR MR. ARREDONDO: I beg to acknowledge your letter of March 18, 1916, enclosing a translation of the substance of the message from the Secretary for Foreign Affairs of Mexico, which you were good enough to read to me yesterday afternoon.

As I stated to you, it is a matter of sincere regret that there should have been any misunderstanding as to the attitude of General Carranza in connection with the crossing of the border by United States troops while in pursuit of Villa. It was the impression of this Department, as a result of the messages exchanged between this Government and the *de facto* Government of Mexico, that your Government fully understood and acquiesced in the arrangement proposed by the Minister of Foreign Relations, Señor Acuña, in his note of March 10, and accepted by this Government in our note dated March 13, presented by Special Representative Silliman, whereby the troops of either Government could, under certain conditions, pursue bandits into the territory of the other. With that understanding, troops of the United States Government were directed to pursue our common enemy, as it was realized that no time was to be lost if the pursuit was to be effective. While our military commanders have been given

explicit instructions to scrupulously respect the sovereignty of the Mexican Government and we believe there will be no possibility of friction, yet this Government would be glad to receive any suggestions your Government may care to make as to the terms of a definite agreement to cover operation of troops either in our country or your country, under these particular conditions.

I am [etc.]

FRANK L. POLK

File No. 812.00/18481

Mr. Arredondo to the Acting Secretary of State

WASHINGTON, March 19, 1916.

MY DEAR MR. POLK: Acting under the instructions from my Government, I have the honor to submit, herewith, copy in translation, of a draft of agreement in regard to the crossing of troops of both countries over the boundary line, and I beg you, in view of the urgency of the case, to give me your reply as soon as possible, so that I may communicate the same to my Government.

With the assurances [etc.]

E. ARREDONDO

[Inclosure]

Draft of an agreement between the Governments of Mexico and the United States of America concerning the crossing of troops over the boundary line in pursuit of bandits

Article 1. It is hereby agreed upon between the Governments of Mexico and the United States of America that the federal troops of the regular army of one and the other country, as well as any other forces, whether pertaining to the individual militias of the States of both Republics or to those which may be organized with due authority of either Government, shall be permitted to cross reciprocally the boundary line, at any point of its length between the Colorado River and Piedras Negras, and when they may be in close pursuit of a band of outlaws or malefactors who may have crossed into either one of both countries, committing depredations in one of them and returning subsequently to the country of their origin to avoid punishment.

Article 2. This agreement shall conform in everything to the terms and conditions stipulated in the following articles:

Article 3. The reciprocal crossing to which Article 1 refers shall not be made except in unpopulated or isolated parts of the above-mentioned length of the boundary line. For the purposes of this article, unpopulated and isolated parts shall be all places distant at least ten kilometers from any military camps or towns situated on the boundary line between both countries.

Article 4. Only in exceptional cases, shall the pursuit take place nearer to military camps and towns mentioned in the previous articles; and for the purposes of this article, it shall be considered an exceptional case when a military camp or town is situated in a mountainous place or with reference to which immediate communication may be difficult ordinarily or because of accidental circumstances.

Article 5. The commander of the forces which may cross the boundary line in pursuit of malefactors shall upon doing so, or prior to it if possible, send advice of his route to the military commander or civil authority, nearer to him, of the country whose territory he has entered. Also, and through the proper channel, the commander of the pursuing forces shall send proper advice to his Government, in order that the latter may bring the matter to the attention of the other Government.

Article 6. A zone shall be established sixty kilometers wide on each side of the boundary line along the extension referred to in Article 1, within which the pursuit only shall be affected; therefore, the pursuing forces shall not go beyond such zone nor shall they be permitted to establish camps within the same nor remain within it beyond the time absolutely necessary to effect the pursuit of the band they may be after, and therefore, they shall return to their own country at the expiration of the time stipulated in Article 8 of this agreement or when they may come into contact with the forces of the country in which the pursued band may have sought refuge.

Article 7. When the pursuing forces may come into contact with those of the other country, it is left to the discretion of the commanders of both to make the pursuit of the band in question jointly, provided that the chase takes place within the zone mentioned in the preceding article; but the foreign forces shall return to their own country immediately after the chase is considered ended by the common agreement of both commanders. Whenever the case provided in the article occurs, it shall be compulsory for the commanders of the combined forces to give proper notice to their respective Governments, not only at the time when they come into contact with one another, but also when the pursuit may have ended.

Article 8. At no time the forces which may cross the boundary line shall exceed one thousand men nor will they remain within the zone, in cases not considered exceptional, over a period of five days.

Article 9. No crossing of troops, except cavalry, shall be permitted to cross, but the latter may carry with their equipment machine and Rexer guns, besides their own arms.

Article 10. The commanders of the troops of both countries shall agree in each case in regard to the marks of distinction or signals to be used by the troops in order to distinguish them from one another and avoid confusion during the pursuit.

Article 11. Under no consideration shall the forces of one and the other country occupy towns or camps situated in the country they have entered in accordance with the terms of this agreement.

Article 12. If, during the pursuit, or at any other time, any confusion should occur which may cause injury to the forces of one or the other country, the commander of the forces which may have caused the confusion shall be directly and personally responsible, without his acts implying in any way any responsibility for the contracting parties, nor shall this be a cause of a break of the relations between one Government and the other. Both Governments incur the obligation of severely punishing the acts provided in this article, and to the end, the proper investigation shall be commenced by the Government of the country to which the responsible commander pertains.

Article 13. It is absolutely forbidden for the troops that cross the frontier to dispose of private property belonging to persons residing in places of their transit, nor shall they, without the consent of the owners, dispose of such property and after proper indemnity is made. Any abuses committed by the forces crossing into territory of the other country shall be punished according to the gravity of the offense and the laws, by the Government from which they depend, just as if they were committed within its own territory, the same Government being always obliged to withdraw from the frontier the guilty party or parties and to indemnify those who may have suffered the consequent injury.

Article 14. In the case of offenses committed by the residents of one country against the forces, or any part thereof, of the other country, which may be within the boundaries of the former, each Government shall be responsible to the other, provided that manifest denial of justice to punish the guilty parties may be shown.

Article 15. This agreement shall be in force during one year from the date in which it may be signed by the representatives of both countries, but it may be terminated at will by any of the contracting parties by giving advice through the proper channels two months before the date of termination; however, upon the expiration of the period of one year, the agreement shall be considered renewed for one year more, provided that none of the contracting parties indicate the intention to rescind it.

AGUILAR,

The Secretary for Foreign Affairs.

QUERÉTARO, MEXICO, March 19, 1916.

File No. 812.00/17503

Mr. Arredondo to the Secretary of State

WASHINGTON, March 19, 1916.

MR. SECRETARY: I am directed by my Government to apprise your excellency, that the office of the First Chief has been informed that the American forces, now in Mexican territory, intend to occupy the town of Casas Grandes, State of Chihuahua, and to say to you formally that as long as there is no agreement concerning the form in which bandits should be pursued along the boundary line, my Government cannot permit the occupation of Mexican towns by American forces, much less such towns as are occupied by our own troops, as this might give rise to frequent conflicts.

With assurances [etc.]

E. ARREDONDO

File No. 812.00/17529

Special Representative Rodgers to the Secretary of State

[Telegram]

QUERÉTARO, March 19, 1916, midnight.

Ten tonight. Subsecretary of State for Foreign Affairs called and presented reply to Department's March 18, 6 p. m., use of railways Chihuahua transportation supplies troops; requested transmission the text of the note, as follows:

QUERÉTARO, March 19, 1916.

Having reported to the citizen First Chief of the Constitutionalist Army in charge of the Executive Power of the Union with your note of to-day's date in which you quote the text of a message received by you from the Department of State of the United States, by order of the said high functionary, I beg you to transmit to the said Department what follows by way of reply:

The note referred to has caused great surprise to the Mexican Government, for it had not until now received any official notice from the Government of the United States that American troops had crossed into Mexican territory or that they were at or near Casas Grandes, his Government's surprise being made the greater from the fact that negotiations through the proper channels and occasioned by the Columbus incident are under way at this very moment to perfect agreements as to the terms and conditions of the convention that is to govern the passage of troops from one to the other country in the sense of the spirit of the note dated the tenth of this month addressed by the Government over which the citizen First Chief presides to the Government of the United States of America. The Mexican Government cannot but wonder at the fact that the said troops should have crossed the boundary line and entered our territory without previous agreement, official communication, or notice of any kind and reached, as stated in the note referred to, a place which, as is Casas Grandes, is much more distant from the boundary line than any other point which, under previous treaties, have been the extreme limit in cases of pursuits. To the end of maintaining unalterable the good relations that have always existed between the United States and Mexico, the citizen First Chief of the Constitutionalist Army in charge of the Executive Power of the Union deems it necessary, in order to act with full knowledge of the facts of the case in a matter of such great moment, that the Department of State of the United States of the North be pleased to furnish to the Government over which he presides with information as to the circumstances under which the passage of American troops into Mexican territory was effected at El Paso, their number, the branch of the service to which they belong, the name of the officer in command, the place where they are, and the causes which occasioned their crossing.

Hoping that you will be pleased to transmit the foregoing to the Department of State of the United States and impress it with the necessity of its prompt answer to the points set forth in the note above quoted, permit me to avail myself [etc.]

AGUILAR,
Secretary of Relations.

This unquestionably represents attitude Carranza himself. As the Foreign Office raised no such question when representation presented and explained this morning, it was stated tonight there is absolutely no official information in the War Office here as to the presence of American troops in Mexico. Unofficial report received stating American troops are in Mexico but whereabouts and destination unknown. Believe representation presented to-day afforded desired opportunity for general query as above.

RODGERS

File No. 812.00/17547

The Acting Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, March 20, 1916.

SIR: I enclose for your information copy of a telegram just received from General Funston.

Very respectfully,

H. L. SCOTT

[Inclosure]

General Funston to the Adjutant General

FORT SAM HOUSTON, *March 20, 1916.*

1095. A message has been received from Pershing at Casas Grandes sent March 18, 9 p. m., badly garbled in transmission, but following is gist of it.

"Culberson column arrived late last night after ~~three~~ ^{four} days forced march. Villa last reported about 60 or 70 miles southeast. ~~11~~ ¹² Will start southeast to-morrow morning. Tenth cavalry starts south to-morrow. Thirteenth cavalry, field artillery and aero squadron of Columbus column expected here to-morrow. No wireless communication with Columbus column. It is reported that Villa lost 200 men in killed, wounded and deserted at Columbus. Natives here seem friendly. Mormons consider our troops as rescuers. Carranza forces friendly, but so far only passive. Understand that some of them along the Mexican Northwestern Railway to prevent Villa's retreat south."

FUNSTON

FORT SAM HOUSTON, *March 20, 1916.*

1099. Seven aeroplanes 1st aero squadron left Columbus for Casas Grandes afternoon March 19. First squadron, 13th Cavalry, arrived Columbus March 19.

FUNSTON

File No. 812.00/18957

WAR DEPARTMENT,
Washington, March 20, 1916.

SIR: Referring to the communication of March 19, midnight, Querétaro, Mexico, in reference to note from the First Chief in which question is asked as to the manner in which the passage of

American troops into Mexican territory was effected at El Paso, their number, the branch of the service to which they belong, the name of the officer in command—I have to say to you that no American troops have crossed at El Paso. At Columbus and Hachita, New Mexico, two bodies of troops, number unknown, have crossed on the trail of the band of outlaws that attacked Columbus. This force is composed of cavalry, infantry and artillery, and they are following the trail of these bandits, with the support of the military authorities of Mexico stationed at Palomas, who permitted them to pass.

The expedition was authorized from this office, and General Funston, whose headquarters is at San Antonio, was authorized to make up these forces, which are now somewhere south of the border, location unknown, and they are in command of General John Pershing, U. S. Army. If it is desired, I will communicate with General Funston and find out the exact number of U. S. troops that are now in Mexico.

Very respectfully,

H. L. SCOTT

File No. 812.00/17529

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, March 20, 1916, 11 p. m.

2. Your March 19, midnight. You will express to General Carranza in the terms of deepest consideration and friendly assurance, the regret felt by this Government over any apprehension he may feel or misunderstanding he may labor under in relation to the specific object of the expedition, the single purpose of which is to pursue and capture Villa, unless his prior capture should be effected by the forces of the *de facto* Government. You will give General Carranza every assurance that immediately upon the accomplishment of this purpose the forces of this Government will retire from Mexican territory forthwith. From the very inception of the expedition our troops were given explicit instructions to scrupulously refrain from any act that might cause the slightest friction or the least criticism, and in future operations, in so far as possible, to conform with the suggestions of the *de facto* Government; and this Government confidently assures General Carranza that our forces will not deviate from the directions given them. Therefore, as far as this Government or its troops are concerned, there is no cause for the slightest apprehension.

You will also say to General Carranza that Señor Arredondo today submitted the draft for reciprocal arrangement suggested telegraphically by the Minister of Foreign Relations; that this Government agrees in principle and that, for better adaptability, some modifications are now being given urgent consideration. This Government realizes that such an arrangement will have an immediate and helpful effect and great influence upon the cordial relations of the two Governments, by terminating border outrages and abating frontier irritation.

General Carranza should be informed that in the present instance, however, this Government, actuated solely by the intention of furthering the amicable relations now existing between the two Governments, accepted without any hesitation the proposal made by the Minister of Foreign Relations through Mr. Silliman on March 10. The only hope of success depended upon quick action and the effort to capture Villa, who promises to be a constant menace to the friendship of our countries.

The troops which were sent across the border are under the command of General John Pershing and consist of cavalry, infantry and artillery. Their location at the present time cannot be stated with preciseness, but it is believed to be in the neighborhood of San Miguel. From all the advices received by the Department, the expedition, in accordance with instructions, appears to be cooperating with the forces of the *de facto* Government and they are apparently working together in earnest and friendly endeavor to accomplish the ends so greatly to be desired by our Governments.

You are directed to request General Carranza to issue instructions to the Chihuahua authorities directing them to give their full cooperation to the expedition. You may also say to General Carranza that the Department will telegraph within the next twenty-four hours, after consultation with Mr. Arredondo, a suggestion for greater cooperation of the two forces in the present expedition.

POLK

File No. 812.00/17593

The Acting Secretary of State to Mr. Arredondo

DEPARTMENT OF STATE,
Washington, March 21, 1916.

SIR: I beg to acknowledge the receipt of your letter of March 19, 1916, relative to the occupation of Mexican towns by United States military forces.

In reply you are informed that General Funston was instructed by telegraph, on March 18, 1916, to direct Brigadier General Pershing to avoid occupying any Mexican town.

I am [etc.]

FRANK L. POLK.

File No. 812.00/17587a

The Acting Secretary of State to Consul Simpich

[Telegram]

DEPARTMENT OF STATE,
Washington, March 22, 1916, 2 p. m.

Ascertain and telegraph number and location infantry, cavalry and artillery forces now in northwestern part of Sonora; also number cannon. Keep Department informed of all changes in troop movements in said section as quickly as they occur.

POLK

File 812.00/17582a

The Acting Secretary of State to all American Consuls on the Mexican Border except Consul Simpich

[Telegram]

DEPARTMENT OF STATE,
Washington, March 22, 1916, 6 p. m.

Ascertain and telegraph immediately number and location infantry, cavalry and artillery forces now stationed along border in your district; also number cannon. Have forces in your district been increased since March 10, if so, to what extent? Keep Department promptly informed of proposed and actual changes of these forces.

POLK

File 812.00/17582b

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, March 22, 1916, 6 p. m.

Department informed that garrisons at Matamoros, Juarez and at other points on the border have been materially reinforced during the past two weeks. Press comment thereon is arousing considerable distrust throughout country.

You will most discreetly sound *de facto* authorities as to truthfulness of these reports, expressing the hope that they are untrue and that all available forces will be sent to join the pursuit and capture of our common enemies, Villa and his followers.

A copy of protocol, as modified by Department, regarding reciprocal movements of troops, was presented to Arredondo yesterday.

POLK

File No. 812.00/17650½

Mr. Arredondo to the Secretary of State

WASHINGTON, March 27, 1916.

MY DEAR MR. LANSING: I have received from my Government, for your excellency's consideration, a draft of agreement concerning the reciprocal crossing of troops over the boundary line, the literal Spanish text of which I have included in continuation, containing several amendments to the one submitted through me to the Mexican Government, by Mr. Frank L. Polk, under date of the 21st inst., while he was Acting Secretary of State.

I beg your excellency to examine the draft referred to and advise me whether it meets with your approval, so that I may at once inform my Government to the end that the agreement may

go immediately into effect in behalf of the best harmony and mutual understanding between both Governments:

Draft of Agreement

Article 1. It is agreed that the regular Government forces of the two Republics may reciprocally cross the part of the boundary line comprised between the Colorado River and Piedras Nuevas, and within a zone of sixty kilometers in either country counted from the said line with the object of pursuing bands of armed men that may have entered from one country into the other, committed outrages on foreign territory and escaped across the boundary line.

Article 2. The reciprocal crossing agreed to in Article 1 shall only take place in comparatively uninhabited or unprotected parts of the territory on either side of the boundary line and in no case at a distance less than ten kilometers from any cantonment or city in the territory in which the pursuit is conducted, unless the cantonment or city be situated in a mountainous district wherein communication is difficult.

Article 3. The commander of the forces crossing the frontier under the terms of this agreement will, at the moment of crossing or before, if possible, give notice of his proposed movement and of the number of troops in his command to the nearest commanding officer or the civilian authorities of the country whose territory he is about to enter.

Article 4. The Government of the country in which the pursuit takes place will cooperate by every means with the pursuing force to the end that the lawless bands be speedily captured or exterminated.

Article 5. The pursuing force will retire to its own territory as soon as it shall have overtaken and overcome within the zone the lawless bands being dealt with. In no case shall the pursuing force establish itself or remain on foreign territory for more than fifteen days, unless by special agreement between the two Governments or at the solicitation of the local authorities of that territory.

Article 6. No pursuit shall be undertaken on the territory of the other country unless begun within three days after the flight of the lawless band across the boundary line.

Article 7. Under no pretext or consideration whatever shall the pursuing forces of either country occupy cities or cantonments situated in the country in which the pursuit is conducted in accordance with the terms of this agreement.

Article 8. All abuses committed by the pursuing forces shall be published by the government to which they belong according to the gravity of the offence. The persons directly responsible for such abuses shall be withdrawn from the frontier and indemnities shall be promptly given to all those who may have suffered injury.

Article 9. Should the inhabitants of one country commit outrages on the foreign pursuing forces, the Government of the country where the outrages were committed will be responsible to the Government of the other country only in case of denial of justice and refusal to punish the guilty persons.

Article 10. This agreement will go into effect upon the date of signature and will remain in force until one of the parties shall have given the other in advance two months' written notice of its intention to terminate the agreement.

In testimony whereof, we have signed this agreement this — day of —, 1916.

I have [etc.]

E. ARREDONDO

File No. 812.00/17663

Special Representative Rodgers to the Secretary of State

[Telegram]

QUERÉTARO, March 28, 1916, 1 p. m.

7. Secretary of Treasury Cabrera by authority and direction of General Carranza called this evening to explain Mexico attitude certain features protocol. Stated these views could be better ex-

plained by frank discussion here and intimated desire for transmission confidentially.

First point: Border limit of protocol. Mexico proposition: Colorado River of [to?] Piedras Negras. This limitation desired principally to avoid political difficulty which would arise in Lower California if that border included. Situation there described as critical and delicate at present and would be aggravated if protocol extended to that border. Line between Piedras Negras and Gulf Coast not so important, but Mexico thinks had better be excluded in order to make it appear that border of Chihuahua and Sonora only considered of importance.

Second point. Mexico contends that there should be reasonable limitation of distance from border, and also of time, for punitive expeditions; and that character of force should be stipulated; that is, that stipulation should be for cavalry and quick-moving artillery; this for reason that infantry and other artillery hard to explain and would cause trouble Mexico especially. Number of troops not very important.

They consider protocol without such restrictions dangerous to both countries and ask us to consider fact that any broadening will be difficult to explain in Mexico especially, and will probably lead to misunderstandings in northern Mexico, where situation is always somewhat dangerous and especially at present, even though necessity for present punitive expedition is now well understood. Cabrera stated Chief hoped private explanation here would be beneficial both countries.

During conference invited attention Cabrera to attitude General Nafarrate, Tampico, and was informed authorities here regard him as example danger arising under general protocol.

Mentioned matter use Northwestern Railway transportation supplies. Was informed General Carranza, while sympathy with purpose, believes it would be better to withhold for the present open consent, but suggests United States designate civilian consignees for freight various points, and then orders quick despatch would be given.

Was assured all these views are those of General Carranza and General Obregon. Given under authority and offered in spirit friendliness. Although not so requested to state, think subjects of this telegram for Department alone. Stated Mexican Ambassador-designate has been instructed along these lines, but not so fully as to political reasons involved.

RODGERS

File No. 812.00/17680a

The Secretary of State to Special Representative Rodgers

[Telegrams]

DEPARTMENT OF STATE,

Washington, March 28, 1916, 6 p. m.

11. Approach *de facto* Government and tactfully suggest that, pending settlement of terms of protocol, Government consent to our forces using railroad for purpose of bringing up supplies. Point out that this Government freely granted right to General Carranza

to use our railroads at a time when it was vitally important for him not only for supplies but for troops, also point out that by depriving this Government of use of railroads it is making more difficult the operations of troops and will consequently necessitate their presence for a longer time in Mexico.

LANSING

File No. 812.00/17663

DEPARTMENT OF STATE,
Washington, March 29, 1916, 4 p. m.

12. Your 7, March 28, 1 p. m., next to last paragraph. Department has suggested to War Department to make appropriate arrangements to ship supplies to civilians in Mexico. Request that Chihuahua authorities be instructed to furnish adequate guards for trains moving supplies, reminding them of military escorts furnished by this Government for several movements forces and supplies of *de facto* Government over American territory. Finally, request that Chihuahua authorities be given appropriate instructions to facilitate movement supplies as much as possible.

LANSING

File No. 812.00/17680

The Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, March 29, 1916.

The Secretary of War presents his compliments to the Honorable the Secretary of State and transmits herewith for his information copy of a telegram which has been directed sent to the Commanding General, Southern Department.

[Inclosure]

Memorandum for the Adjutant General

MARCH 29, 1916.

The Secretary of War directs that the following confidential telegram be sent to the Commanding General, Southern Department:

"It has been suggested by the *de facto* Mexican Government that Government of the United States shall designate civilian consignees for military freight from El Paso via Juarez to points on the Mexican Northwestern R. R. The Mexican Government then agrees to give orders for quick dispatch of supplies so consigned. The State Department representative at Querétaro was informed by official representative of Carranza that latter, for political reasons, did not wish to give for the present open consent to our use of Mexican railroad. You will therefore keep this understanding confidential. Report at earliest possible moment means of civilian consignees for military freight. You can utilize for this purpose newspaper men now with Pershing's force. In order not to attract attention you will begin by shipping comparatively small quantities of stores. The Secretary of State has requested that Mexican Government supply guards for consignments. The Secretary of War directs that no ammunition be shipped by this railroad. For ammunition supply you must continue use of motor vehicles as at present. In view of foregoing Secretary of War decides for the present not to buy the additional motor trucks

asked for. If this gradual method of securing use of railroad does not work auto trucks will be ordered at once. Nothing can be done until you report names of civilian consignees to be designated. Therefore, very prompt action necessary. In order to save time Secretary of War directs you take this matter up direct with local Mexican commander at Juarez, informing him of the action of his Government and arrange for shipment of freight without further delay."

H. L. SCOTT,
Major General, Chief of Staff

File No. 812.00/17684

Special Representative Rodgers to the Secretary of State

[Telegrams]

QUERÉTARO, March 29, 1916, 7 p. m.

12. In reply to Department's March 28, 6 p. m., use railroads, have had further conference, promised definite final reply to-morrow morning. Believe consent being withheld pending settlement protocol.

RODGERS

File No. 812.00/17693

QUERÉTARO, March 30, 1916, 3 p. m.

13. In reply to Department's 12, March 29, 4 p. m., Secretary of State agrees matter moving supplies to civilian consignees. Will not be publicly announced but conditions as suggested thoroughly agreed upon and instructions Chihuahua authorities for the protection of and speedy delivery supplies will issue. Stipulated this private agreement but binding.

During conference today Secretary of State for General Carranza insisted upon propriety, necessity full reply to questions contained in my March 29 [19], midnight, as to number American troops in Mexico and location, saying that withholding such information implies lack of confidence, also discourtesy, and prevents full cooperation. Still claims Mexican authorities without adequate information as to number and whereabouts our troops in their country. Repudiated suggestion of necessity for military secrecy. Secretary of State said their information today Villa with small number men many miles in advance of American troops and going southwest. Intimated desire to know distance our troops going in. Mexican authorities evidently much irritated by situation.

RODGERS

File No. 812.00/17710

QUERÉTARO, March 31, 1916, 5 p. m.

17. Had an interview with Cabrera today. Was informed General Carranza and General Obregon think it will be necessary to request withdrawal our troops in a short time in the event of failure to capture Villa soon. This considered doubtful as reports here are that Villa unimpeded rapidly making for mountains. They fear political effect if no such action taken. Sentiment here seems to support such a policy.

RODGERS

File No. 812.00/17701

*The Secretary of War to the Secretary of State*WAR DEPARTMENT,
Washington, March 31, 1916.

The Secretary of War presents his compliments to the Honorable The Secretary of State, and encloses for his information copy of telegram just received from the Commanding General, Southern Department.

[Inclosure—Telegram]

General Funston to the Adjutant General

,FORT SAM HOUSTON, March 30, 1916.

1172. Following just received from General Bell: "I saw General Gavira at 10.30 this morning. He had not at that time received instructions from his Government regarding shipment of supplies by Mexican Northwestern but at once sent a telegram and stated he would let me know as soon as he heard."

FUNSTON

File No. 812.00/17701

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, April 3, 1916, 5 p. m.

24. Department officially informed that Chihuahua authorities have not yet received instructions to permit supplies to be shipped to civilians over the Northwestern Railway, although your telegram number 13, March 30, 3 p. m., states such instructions would be issued. Department unable to understand delay and desires you to renew your efforts to have appropriate instructions despatched to Chihuahua authorities.

LANSING

File No. 812.00/17752

Special Representative Rodgers to the Secretary of State

[Telegram]

QUERÉTARO, April 4, 1916, 1 p. m.

25. In reply to Department's April 3, 5 p. m. Generals Carranza and Obregon and Secretary of State for Foreign Affairs in the country for day. Could not ascertain Foreign Office whether appropriate instruction Chihuahua authorities have been issued. Do not believe they have been. Insisted to Subsecretary of State for Foreign Affairs that promise given March 30 be fulfilled. Promised by Amador that promise stated my March 30, 3 p. m., was given. Saw Cabrera who stated that customs officers border have been instructed to expedite entry adequate supplies. Cabrera also promised investigation as to appropriate instructions Chihuahua authorities.

Believe reason for delay reluctance General Carranza, himself to give any official recognition to this use Northwestern Railway by American forces.

RODGERS

File No. 812.00/17650½

*The Secretary of State to Mr. Arredondo*DEPARTMENT OF STATE,
Washington, April 4, 1916.

MY DEAR MR. ARREDONDO: I enclose a redraft of the proposed protocol, to which we have given careful consideration, and in which I have sought to incorporate as far as possible the provisions desired by your Government. I believe that the variations between your draft and the enclosed redraft are of such a nature that your Government can accept them and that the protocol can be speedily signed.

Since this protocol as redrafted could not be applied to the American forces now in Mexico without their entire withdrawal from the pursuit of Villa and his band, in which they are engaged, and since it would be impracticable and unwise to withdraw the United States troops when the capture of these outlaws seems imminent, I have drafted a formal note (copy enclosed) excepting the present situation from the operation of the protocol, to which I trust your Government will be willing to assent at the same time as the protocol.

I feel that our Governments should be in perfect accord in this matter and that the *de facto* Government of Mexico will appreciate the great expenditure of energy and treasure which this Government has already made and the advisability of assenting to the statements in the formal note, since such assent seems to this Government a necessary condition to the signature of the agreement.

I am sure that you, who are so familiar with the situation, will understand the necessity of the note and the purpose of this Government, and will advise your Government accordingly.

I am [etc.]

ROBERT LANSING

[Inclosure]*The Secretary of State to Mr. Arredondo*DEPARTMENT OF STATE,
Washington, April 3, 1916.

SIR: The Government of the United States, in entering into the reciprocal agreement with the *de facto* Government of Mexico relative to the pursuit of lawless bands across the international boundary by the military forces of the respective Governments, does so on the understanding that the conditions imposed by that agreement are not to be applied to the forces of the United States now in Mexico in pursuit of Villa and his bandits who attacked and burned Columbus, New Mexico, killing a number of American citizens, the said forces having in good faith entered Mexico under a previous agreement which arose out of the outrage perpetrated by outlaws at Columbus on March 9th.

The Government of the United States assures the *de facto* Government of Mexico that, in exercising the privilege of entry upon Mexican territory, it will confine the operations of its military forces to the sole object of the present pursuit, and that immediately upon its accomplishment they will be withdrawn across the international boundary.

The Government of the United States takes this opportunity to express its gratification at the consideration and friendliness shown by the *de facto* Government in entering into the previous agreement by which military forces of the United States are permitted to pursue Villa and his band into Mexican territory, and desires to assure the *de facto* Government that the Government

of the United States will respect the confidence thus exhibited and in no way violate the sovereignty of Mexico or abuse the privilege so generously and freely granted by the *de facto* Government.
Accept [etc.]

ROBERT LANSING

File No. 812.00/17795

Mr. Arredondo to the Secretary of State

WASHINGTON, April 5, 1916.

MY DEAR MR. LANSING: I have the honor to acknowledge the receipt of your excellency's letter dated yesterday, with which you had the kindness to enclose copy of the redraft of the agreement under consideration and the note which accompanied the same, and to apprise your excellency that I have brought both documents to the attention of my Government.

I have [etc.]

E. ARREDONDO

File No. 812.00/17760

Special Representative Rodgers to the Secretary of State

[Telegrams]

QUERÉTARO, April 5, 1916, 10 p. m.

26. In relation to Northwestern Railway. Although, after long conference early this morning, promised reply to-day, none has been forthcoming. Appears deliberate evasion. Think instructions as requested and promised will issue finally, but present attitude very unsatisfactory. This morning was asked for names of consignees supplies. This evidently for purpose of delay. Informed them would not ask for names, our agreement being observed.

RODGERS

File No. 812.00/17774

QUERÉTARO, April 6, 1916, noon.

27. In relation to use Northwestern Railway for forwarding supplies. This morning officially informed by Secretary of State for Foreign Affairs that, as a result of his conference yesterday with General Carranza, directed to state that it will be absolutely impossible to issue any instructions to Chihuahua authorities as to protecting and forwarding supplies for American troops by railway. One reason assigned for this conclusion is that publicity was given in American press to our secret understanding making it appear Mexican authorities officially recognized use railway. In this connection stated that even Mexican Ambassador uninformed as to understanding. Claimed that such publicity has embarrassed Government here. Further, that if Mexican Government assumed any responsibility would increase danger of attack on trains by bandits.

Under explanation this decision it was suggested that present methods of forwarding supplies be continued. When asked if that meant that supplies could be consigned by railway independent of Government protection reply was "Well, we know that you will not let your men starve."

Undoubted meaning this decision that officially Government will not sanction use railway nor issue any instructions but will not ob-

ject to supplies being forwarded in ordinary manner. As previously stated in 25. April 4. 1 p. m., Cabrera has ordered expeditious entry.

Believe officials here expect supplies will be delayed and thus compel withdrawal some portion of forces soon. In this connection invite attention to Cabrera statement contained in 17, March 31, 5 p. m. My opinion is that motive of present attitude, which is directly contrary to private agreement announced in 13, March 30, 3 p. m., is hope of embarrassment punitive expedition and securing early withdrawal without asking directly for same.

RODGERS

File No. 812.00/17760

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, April 6, 1916, 6 p. m.

30. Your 26. Withholding promised instructions regarding shipment supplies to civilians creating decidedly bad impression in this country. Department suggests that you exert your best efforts to have Juarez commander instructed immediately. Perhaps you might be able to obtain quick action through Amador by impressing upon him supreme importance of this matter, and requesting him to use his influence with General Carranza and others.

LANSING

File No. 812.00/17781

Special Representative Rodgers to the Secretary of State

[Telegram]

QUERÉTARO, April 7, 1916, noon.

28. Secretary of State for Foreign Affairs, 11 last night, issued statement to press denying Government ever authorized use Northwestern Railway for supplies troops. This simply quibbling. Understanding exactly as communicated in my No. 7, March 28, 1 p. m., interview with Cabrera, and No. 13, March 31 [30], 3 p. m., interview with Secretary of State for Foreign Affairs. Amador and Belt were present at this last-named conference. However, to me all of them [?] deny previous understanding.

This morning in conference with Secretary of State for Foreign Affairs and Amador it was plainly understood no objection shipment supplies as commercial freight; otherwise situation unchanged.

RODGERS

File No. 812.00/17883

Special Representative Rodgers to the Secretary of State

[Extract]

No. 19

QUERÉTARO, April 7, 1916.

SIR: I have the honor to submit the following as a full statement of my action and the representations made to me in the matter of the request of the United States Government for the use of the North-

western Railway in the State of Chihuahua, Mexico, for the transportation of supplies to the American troops and for the proper protection of these supplies in transit. In view of the conditions which have arisen in relation to this matter, I desire this statement to be of record in the Department.

The first telegram of the Department in relation to this matter was dated March 18, 1916, 6 p. m., and was received in Querétaro during the morning of March 19. A formal representation was prepared and was submitted to the Foreign Office about 11 o'clock on the morning of March 19. At 10 p. m. on March 19 the Subsecretary of State for Foreign Affairs, Señor Juan N. Amador, called upon me and presented the reply which I transmitted immediately to the Department in my telegram dated March 19, midnight.

On March 21, late in the afternoon, I received the Department's No. 2, dated March 20, 11 p. m., and this representation was presented at 7 p. m. It was promised that it would be laid before the Chief Executive that evening and that a prompt reply would be given.

During the next seven days I called repeatedly at the Foreign Office, seeing the Secretary personally, according to my recollection, every time, and asked repeatedly for the reply, representing that the delay in the matter was embarrassing to the punitive expedition and that such delay would mean that the expedition naturally would have to remain longer in Mexican territory. Again and again attention was invited to the fact that the United States had extended practically similar courtesies and aid to the Mexican forces, but no definite promise as to action could be obtained although the statement was made that certain information had been asked of Señor Eliseo Arredondo, Mexican Ambassador Designate to the United States, and that no reply could be given until this was received. It was stated, further, that this information related to the pending protocol. During this week of waiting I also talked over this matter with Señor Luis Cabrera, Secretary of the Treasury of the Republic of Mexico, and received from him the reply that he wished to talk with me confidentially as soon as he could obtain the time to do so. On March 26 Señor Cabrera sent word to me that he would like to see me on the evening of the 28th.

On March 28 Señor Cabrera called and I went over the whole matter with him thoroughly and all of this was communicated to the Department in telegram No. 7 dated March 28, 1 p. m.

On March 29, having received the Department's telegram No. 11 of March 28, 6 p. m., I had a further conference with Secretary Aguilar and was promised a definite reply in the morning.

On March 30, 9.30 a. m., having received the Department's telegram No. 12, March 29, 4 p. m., stating that it had been suggested to the War Department to make appropriate arrangements to ship supplies from the United States to civilian consignees and requesting that Chihuahua authorities be instructed to furnish adequate guards for trains moving supplies, I called at the Foreign Office, was received by the Secretary immediately, and, in the presence of the Subsecretary Señor Amador, and Mr. John W. Belt, my secretary, discussed the matter at length, and I was assured that

the proper instructions to the Chihuahua authorities would be issued and that there would be a speedy delivery of the supplies. I communicated subjects of this conference to the Department in telegram No. 13, March 30, 3 p. m., and was careful to state the agreement exactly as it was made.

On March 31, noon, I had, by appointment, an interview with Señor Cabrera, Secretary of the Treasury. He told me that, although not authorized so to state, he knew that General Carranza and General Obregon thought it would be necessary to request the withdrawal of our troops in a short time in the event of failure to capture Villa soon; that the political effect of the troops remaining for a protracted period was feared. This was stated with much earnestness and apparent sincerity. I communicated this statement to the Department in telegram No. 17 of March 31, 5 p. m.

On April 3 I mentioned the matter of the necessity of the instruction to the Chihuahua authorities in relation to the shipments of supplies under our understanding and accepted the replies that were given to me as being satisfactory as to intention in that respect.

On April 4, having received the Department's telegram of April 3, 5 p. m., I called at the Foreign Office for the purpose of ascertaining whether the instructions to the Chihuahua authorities had been issued. Secretary Aguilar, I found, was in the country with General Carranza and General Obregon and would not return until the next day. I talked with the Subsecretary and insisted that the promise given on March 30 be fulfilled at once as the delay was causing serious embarrassment. Señor Amador promised that he would investigate the matter during the evening if the Secretary returned, as he thought would be the case.

After leaving the Foreign Office I saw Secretary Cabrera and asked him whether any instructions had been issued as to the supplies. He stated that the customs officers at the border towns had been given instructions and he promised to investigate as to whether other Chihuahua authorities had been notified.

On April 5 at 9:30 in the morning I had a long conference with Secretary Aguilar at the Foreign Office and pressed for a reply as to the instructions. Secretary Aguilar stated that he would confer with General Carranza during the day and in the country, and would give me a final answer during the afternoon. He said that he was taking to General Carranza the copy of the protocol forwarded from Washington and that this matter of the instructions to the Chihuahua authorities would be discussed jointly. The impression gained was that he himself would be willing to act favorably in the matter and I therefore informed the Department, in my telegram No. 26 of April 5, 10 p. m., that, while there was evasion and delay, the instructions would probably finally be issued. During this conference, evidently upon the basis of a suspicion that civilian consignees would not be used, I was requested to furnish the names of these consignees, and told them in reply promptly that I would not ask for these names as that would mean long delay, and that if they desired to investigate that branch of the subject they could ascertain the names from their own customs authorities at the border towns. I waited until 10 o'clock that night and, having received no answer, telegraphed the Department in my No. 26 as to the matter.

On April 6 at the Foreign Office was given the reply as stated in my telegram No. 27, filed at noon. It was perfectly evident that the Mexican Government would do nothing further in the matter; that the understanding which we had had, had been abrogated by General Carranza himself, and that if the American Government wished to send any supplies to the troops it would have to be done on an ordinary commercial freight basis without any assistance from or protection by the Chihuahua or other Mexican authorities. I reached the opinion that they believe the supplies would be delayed and that this will compel the withdrawal of some of the expeditionary forces whether Villa is captured or not.

On April 7, 10 a. m., I had another conference with Secretary Aguilar and Subsecretary Amador in which I asked whether it was true that a statement had been issued to the press denying that the Government ever authorized the use of the Northwestern Railway for moving supplies to the troops. They stated that such was the fact; that the Government had taken no official position in the matter. They did not deny, however, that there had been the previous understanding.

The present attitude is directly contrary to the plain understanding and agreement as suggested by Secretary Cabrera and finally agreed to with Secretary Aguilar.

In conclusion I beg to state that this morning, in order that there might be no possibility of misunderstanding in the matter, I asked directly of the Secretary and Subsecretary of State for Foreign Affairs if there would be objection to the shipment of supplies to the American troops provided these went as commercial freight and without Government protection. The reply was given that there would be no objection whatever to such a process.

I have [etc.]

JAMES L. RODGERS

File No. 812.00/17784

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, April 8, 1916, 7 p. m.

Mexican Consul G. M. Seguin in Eagle Pass, Texas, received telegram today from Consul General at San Antonio, Texas, to be forwarded to Carranza, stating that the Government of the United States, according to rumors in Washington, would withdraw expedition at once, considering object accomplished. The Consul is circulating message widely, expressing his belief that our Government will take such steps in order to maintain good relations with *de facto* Government. Am informed that he also advised an American citizen yesterday to remain out of Mexico, predicting difficulties with our Government in near future, saying he was surprised I had not given similar advice to this citizen. Americans on border giving much comment on these reports, while Mexicans in general are refraining from comment. Outwardly every courtesy is extended Americans. I am therefore baffled why Consul Seguin would make such statements unless he has instructions bearing on situation.

BLOCKER

File No. S12.00/17813

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, April 11, 1916, 2 p. m.

A mining company which has been shipping fuel regularly to Chihuahua informs me confidentially of their inability to get movement south from Juarez during past week. Juarez authorities have told them shipping could proceed as soon as train crew could come in from Chihuahua. Three crews have arrived but have not become available for southern shipping. It appears that Juarez authorities are holding crew for some unknown military use of their own, possibly that they might not be available about Chihuahua.

COBB

File No. S12.00/17831

General Funston to the Adjutant General

[Telegram]

FORT SAM HOUSTON, April 12, 1916.

1230. Following received from General Bell, El Paso:

Following for your information; believed to be true:

Am informed that Mexican Secretary of War orders to his chiefs at border such points along the Rio Bravo as follows:

"In case of intervention you will destroy all rail connection between the U. S. A. and Mexico in your district and at present allow only necessary locomotives at border points, idle locomotives to be held in reserve at interior points."

There were 27 locomotives at Juarez belonging to Mexican Central about two weeks ago, but to-day there is only one.

Above information is based on reliable reports from special agents.

FUNSTON

File No. S12.00/17865

Mr. Arredondo to the Secretary of State

[Marginal note by the Secretary of State: "Handed me by Mr. Arredondo, 2.45 p. m., Apr. 13, '16. R. L."]

[Translation]

QUERÉTARO, MEX., April 12, 1916, 10 a. m.

LIC. ELISEO ARREDONDO,

Washington, D. C.

Inform the Honorable Secretary LANSING that to-day at 1 o'clock p. m. a column of 140 American soldiers entered Parral. José de la Luz Herrera, mayor of the town, immediately called the attention of the commander of the column to the inadvisability of his entry. The soldiers thereupon retired from the town, but while they were doing so the people protested, although the mayor and military chiefs endeavored to restrain them by speeches in order to avoid friction. Owing to the imprudence of an individual who fired his rifle, disorder and further firing occurred, in which an American was killed and several townspeople were wounded by

American soldiers. The military were able with Constitutionalist troops to keep the people in Maturana from following the American troops.

From the first the Mexican Government informed the American Government that it would be imprudent to send troops into the towns, as friction might at any time arise between them and the people and our troops. The American Government agreed to this, giving orders to abstain from occupying towns. The Mexican Government laments what has occurred, which it could not prevent, and insists on the necessity of the American Government's retiring its troops from our territory, so that no motive may exist for altering the good and cordial relations which both countries are pledged to preserve.

AGUILAR

File No. 812.00/17866

Mr. Arredondo to the Secretary of State

[Marginal note by the Secretary of State: "Handed me by Mr. Arredondo Apr. 13, '16, 2.45 p. m. R. L."]

[Telegram]

QUERÉTARO, MEX., April 12, 1916, 12.30 p. m.

LIC. ELISEO ARREDONDO,

Washington, D. C.

After the Secretary for Foreign Affairs had sent you his message, the Secretary of War received a telegram from Gen. Gutierrez at Chihuahua informing him that it was impossible to restrain the people from attacking the American force that entered Parral, and the fight was still going on, many having been killed on both sides. General Obregon is sending orders to cease fighting, but such is the excitement of the people that I am not sure that the fighting can be stopped.

Inform the Secretary of State that what has occurred is consequent upon the imprudence of the American officer who entered Parral without permission, contrary to the orders of this Government, which prohibit the entry of American forces into towns.

Impress the Secretary of State with the impossibility of any longer keeping American forces in our territory, since there may be even more serious results therefrom than the present one, which we should prevent at all hazards. Present such reasons as you may deem expedient to bring to an end the situation created by the presence of forces in our territory.

V. CARRANZA

File No. 812.00/17830

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, April 12, 1916, 6 p. m.

Following from Letcher, phoned by Edwards:

April 12, 4 p. m.

General Gutierrez has just received report that American troops numbering 140 have entered Parral with the result that there has been an exchange of shots between soldiery and citizens and American troops giving thereby a

serious aspect to affairs. He states that the sudden appearance of these at Parral has provoked this conflict and that he did not forewarn military authorities because of ignorance of this body's whereabouts and unbelief that they would penetrate so far and requests that orders be given to military commander to withdraw until appropriate understanding can be reached. I am trying to reach General Pershing by phone at Cusi. Telegraph line to San Antonio down.

LETCHER

COBB

File No. 812.00/17867

Mr. Arredondo to the Secretary of State

[Marginal note by the Secretary of State: "Handed me by Mr. Arredondo, 2.30 p. m., April 13 '16. R. L."]

[Translation]

WASHINGTON, April 13, 1916.

MR. SECRETARY: I have the honor to transmit to your excellency the full text of the following note which I have just received from my Government:

QUERÉTARO, April 12, 1916.

MR. SECRETARY: The Mexican Government, in its desire to keep cordial and unalterable the good relations of friendship which ought to exist between Mexico and the United States, not only because this is the sentiment which animates the Government itself, but owing to its desire to satisfy the spirit of Article 21 of the Treaty of Friendship concluded between the two countries under date of February 2, 1848, and in view of the lamentable occurrences which took place at Columbus on March 9, last, recalling historic precedents with respect to similar cases, did not hesitate to make to the Government of the United States of America, under date of March 10, a proposition according to which the forces of both countries might reciprocally cross the boundary line in pursuit of raiders, if unfortunately there should be repeated along the frontier incidents such as that which occurred at Columbus, for, from the very first, the Mexican Government considered that, in view of the time which had elapsed and inasmuch as it was a question of a case already past, said incident could not be comprised within the proposition for a reciprocal passage of troops. For this reason the note of our Government, delivered under date of March 10, very clearly indicates that the proposition embodied therein was conditional, or, what is the same, that reciprocity could take place *only provided the irruption recorded of Columbus were unfortunately repeated at any other point along the boundary line.*

The American Government, relying on the text of the aforementioned note and without having thoroughly comprehended its whole purport, conditionality and limitations, but rather believing in the existence of a definite agreement as indicated by the terms of the note of March 13, wherein it is stated "that the United States Government understands that in view of its consent to this reciprocal arrangement proposed by the *de facto* Government, this arrangement is now complete and in force and that the aforementioned reciprocal privilege may be exercised by each Government without future exchanges of ideas," considered itself authorized accordingly to send an expedition to Mexican territory which it has called punitive, for the purpose of pursuing and punishing Villa and his party of raiders, which expedition it sent several days after the malefactors had returned into Mexican territory.

On the 17th of March, the Mexican Government sent a note to the American Government through our confidential agent at Washington, Mr. Licenciado Eliseo Arredondo, stating to it that it had received reliable information to the effect that, without the consent or advice of the political or civil authorities of our territory situated the nearest, and without any communication being sent meantime by the American to the Mexican Government a so-called punitive expedition had passed via Palomas with a view to pursuing Villa and his party, and in consequence said confidential agent was instructed to call the attention of the United States Government to the facts that a false interpretation was being given to the text of the note of March 10, inasmuch as,

while the Mexican Government was willing to adhere to its proposition regarding the reciprocal passage of troops, nevertheless, no expedition could be sent until the terms and conditions of the agreement on the subject should become definite.

This Government, in its note of March 17, insisted that the reciprocal passage of troops should be permitted only "*provided, unfortunately there should be repeated in future irruptions such as that as occurred at Columbus or of any other kind at some place along the boundary line.*"

Meanwhile, the Mexican Government, faithful to the proposition made and with the intention of strictly living up to its agreement, set about at once to prepare the draft of an agreement for the reciprocal passage of troops, which draft was presented in due form to the United States Government on March 18, last, it being hoped that the terms and conditions set forth in said agreement would meet its approval. The American Government, through our aforesaid confidential agent, communicated that it tentatively accepted the agreement and that only points of mere detail were being studied in order to render the agreement definite. At this stage of affairs a note was presented on March 19, to this office by the Honorable Mr. James Linn Rodgers, as representative of the American Government in this city, requesting that the proper authorities of Chihuahua be given the necessary instructions to permit the transportation to Casas Grandes, over the Northwestern Railroad of Mexico, of some provisions for the American troops who were pursuing Villa and his party and on the same date the Mexican Government, without complying with this request, answered the said note on the part of the United States Government, American troops had crossed into Mexican territory, and that these troops were already at Casas Grandes or its vicinity, the surprise being increased by the fact that an endeavor was being made through the proper channels and, on account of the lamentable occurrences at Columbus, to perfect arrangements with respect to the terms and conditions of an agreement for the passage of troops of both countries, in accordance with the spirit of the note of March 10 as aforementioned.

On March 18, our confidential agent at Washington, had an interview with the Honorable Mr. Frank L. Polk, then Acting Secretary of State, the latter having stated to our confidential agent that he regretted not having received the observations of the Mexican Government prior to the passage of the American forces over the boundary, which observation would have been duly heeded and he assured him that the passage of these troops took place with the best of good faith in the understanding that it would not be necessary to enter into further details of the agreement, which was considered final and concluded. These declarations made by the Honorable Mr. Polk were confirmed in all their parts at the conference held on March 23 by our confidential agent with your excellency who likewise stated that he regretted having misinterpreted the contents of said note respecting the passage of troops which latter would not advance any further south from the place where they were at that time as he assured our confidential agent.

On March 19, the Honorable Mr. Polk addressed a letter to our confidential agent at Washington, ratifying to him in writing the conference held on the day before and stating to him in a clear and positive manner that it was a cause of sincere regret that there should have been a misunderstanding in regard to the attitude of the First Chief with respect to the crossing of the border by troops of the United States in pursuit of Villa, for the Department of State of the United States thought that our Government had given its full consent to an arrangement like that proposed by the then Secretary of Foreign Relations, Señor Licenciado Jesus Acuña, in his note dated March 10, which arrangement the Government of the United States accepted by note of the 10th of March which was delivered to this Government by Special Representative Silliman and under which the troops of either nation could, subject to certain conditions, pursue bandits on the territory of the other.

In the declarations publicly made on March 26, by His Excellency President Wilson, that functionary used the following language: "As has already been announced, the expedition to Mexico was ordered under an agreement with the *de facto* Government of Mexico for the sole purpose of capturing the bandit Villa, whose forces had just invaded the territory of the United States, and under no pretext has it been a case of invading that Republic or violating its sovereignty." This view expressed by His Excellency President Wilson was corrected under date of the 31st, of the same month of March through a measure sent to our confidential agent in Washington by

which he was instructed to interview your excellency and duly call your attention to the view indicated since the note dated March 10 bears on the reciprocal passage of troops solely in the case of a recurrence of incidents like that which took place at Columbus.

Lastly, your excellency, under date of the 3d of the current month, on delivering to our confidential agent the counter draft of agreement for the reciprocal crossing of troops with a view to its being offered to the consideration of the Government of Mexico, accompanied with a note in which you say that the American Government trusts that the conditions set forth in the said agreement will not apply to the American forces at present on Mexican territory in pursuit of Villa, with assurances that, in exercising that privilege of entering our territory, those forces would confine their military operations to the sole purpose of the expedition and would immediately thereupon return to their own country, and your excellency expresses thanks to the Mexican Government for achieving, as put by you, a convention by means of which the forces of the United States are given permission to pursue Villa and his party on Mexican territory, in the understanding that the American Government is disposed to respect the confidence therein evinced and will not in any way violate the sovereignty of Mexico or misuse the privilege so generously and freely granted to it.

Now the Government of Mexico, in proposing to that of the United States the conclusion of a formal convention for the reciprocal passage of troops in perfect accord as to the terms and conditions that are to govern such a passage and relying on the character and nature of the notes exchanged on the subject, as they are drawn from this note, necessarily believed in the supposition that the American Government was fully convinced that the expedition sent forth on Mexican territory in pursuit of Villa is without a foundation because of there existing no previous agreement on the subject which has been the only motive of the discussion until this moment.

Furthermore, the Honorable Secretary of State Polk, in the conference with our confidential agent in Washington, stated that the Government of the United States had acted in good faith in sending its expedition into Mexico in pursuit of Villa, in the supposition that the note of March 10 contained a definite agreement; and that the American Government agreed that the expedition should remain on Mexican territory only while the details of the agreement were being concluded.

If now the American Government pretends that the expedition sent against Villa should be considered as an exceptional case, and that it should remain outside of the terms of the agreement, it appears altogether useless to continue discussing the conditions and details of same, because these details can be taken up later if it is considered necessary, should a repetition of the lamentable incidents happening at Columbus occur.

In consequence of the above, as a definite agreement has not been reached in respect to the terms of the agreement or treaty, which would in general govern the reciprocal passage of troops across the border, for the sole purpose of pursuing foraging bands which, in the future, may commit depredations in either of the countries, the Government of Mexico believes that it is advisable, for the present, to suspend all discussions or negotiations relative to this matter, and considering that the expedition sent by the Government of the United States to pursue Villa is without warrant, under the circumstances, because there existed no previous formal or definite understanding, and because this expedition is not fulfilling its object and undoubtedly cannot do so, because the band headed by Villa has already been dispersed, and finally, because there are sufficient Mexican troops to pursue him and that more forces are being sent to exterminate the rest of the dispersed band, the First Chief of the Constitutionalist Army, invested with the executive power of the Union, considers that it is now time to treat with the Government of the United States upon the subject of the withdrawal of its forces from our territory.

I take this occasion, Honorable Mr. Secretary of State, to reiterate to your excellency the assurances of my very distinguished consideration.

C. AGUILAR,
Secretary of Foreign Relations

Accordingly, it gives me pleasure to reiterate to your excellency the assurances of my highest consideration.

E. ARREDONDO

File No. 812.00/17857a

*The Secretary of State to all American Consuls in Mexico, except
border Consuls*

[Circular telegram]

DEPARTMENT OF STATE,
Washington, April 13, 1916.

For your information. At one o'clock yesterday afternoon, 140 American troops entered Parral, Chihuahua, and were fired upon by populace, one American being killed. Meager report from Carranza authorities states that Americans returned fire, wounding a number of Mexicans. Carranza authorities have proposed the opening of negotiations for the retirement of American forces from Mexican territory, and from this source Department learns that Carranza authorities deported themselves admirably in calming the people of Parral and in preventing further attacks on the American forces. Department has no further information on subject, but will keep you informed.

LANSING

File No. 812.00/17866

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, April 14, 1916, 5 p. m.

39. You will orally communicate to General Carranza or Señor Aguilar in the following sense:

The Department has received through Señor Arredondo the esteemed note of the *de facto* Government of the 12th instant and has the matters of which it treats under careful consideration.

The intention of this Government is the same as it was at the outset when United States troops entered Mexico; that is, to endeavor to take the bandit chief, Villa. It desires to repeat again to the *de facto* Government that it has no intention to violate in any way the sovereignty of Mexico and purposes to withdraw immediately as soon as the object of the expedition is accomplished. It would seem that the best way to hasten the withdrawal of the American troops would be for the *de facto* Government to throw enough of their military forces into the region where Villa must be in hiding to insure his speedy capture. This Government believes that it is correct in the view that the capture of Villa would result in more benefit to the *de facto* Government than to the Government of the United States. That his capture can be more speedily accomplished by cooperation between the forces of the two Governments is manifest, which can be most practically accomplished through frequent conferences between the military commanders of the two Governments in the field.

For the American troops to withdraw at once from Mexico would, in the view of this Government, result in encouraging the Villista faction and also the followers of Diaz who are operating near the border. We assume that the *de facto* Government would deplore

such a result and we hope, therefore, that it will approach the question of the withdrawal of the American troops in the most liberal spirit and with full knowledge that this Government's actions are inspired only by a desire to accomplish the mutual object sought without in any way affecting the friendly relations now existing between the two Governments.

LANSING

File No. 812.00/17872

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, April 15, 1916, 11 a. m.

10. In reply to the Department's April 14, 5 p. m. Oral representations as specified made Foreign Office five this afternoon. Promised subject would be submitted General Carranza to-night. Owing absence Aguilar reply will probably be delayed until early next week.

Cabrera stated to us to-day that every high official of the *de facto* Government insisted upon immediate withdrawal American troops. Said no further good could be accomplished and presence of troops created danger as well as implying distrust of Mexico. In latter relation mentioned particularly presence of infantry and artillery. Stated plainly that Generals Carranza and Obregon are determined to secure withdrawal at once.

RODGERS

File No. 812.00/17870

Collector Cobb to the Secretary of State

[Telegrams]

EL PASO, April 15, 1916, noon.

Following from Letcher via Edwards, delayed by Mexican authorities in Juarez:

APRIL 14, 6 p. m.

Captain Foulois has just arrived from present headquarters General Pershing at Satevo bringing the following message for immediate transmission to General Funston:

"SATEVO, April.

"COMMANDING GENERAL, SOUTHERN DEPARTMENT:

"Just received news of unprovoked attack on Brown at Parral whose soldiers had entered town from camp outside to buy supplies. Two soldiers reported killed and 40 Mexicans killed. Have no other details. Aeroplane probably now there. Send order by automobile for concentration at Parral of Major Tompkins' column two troops and Major Howze's column 175 men. Allen with two troops will arrive there to-morrow morning. Brown directed to take measures to protect his command.

"Gutierrez, commanding at Chihuahua, claims that no notice sent regarding our movement. General Herrera, the military representative, commanding in the field, fully informed as to positions, command, direction, general destination our columns in pursuit of Villa.

"Have demanded of Gutierrez the arrest and punishment of parties responsible for this attack and have advised him that the command should not be withdrawn from vicinity Parral. Have directed additional measures to protect mail communication.

"Urgently request that all troops this command be increased to maximum strength and that one additional regiment of cavalry and one infantry regiment be sent without delay.

"PERSHING"

COBB

File No. 512.60/17896

EL PASO, April 16, 1916, 2 p. m.

Following from Letcher, via Edwards:

I

Have just talked by 'phone with General Pershing, who now has received full report of attack upon his troops at Parral on 12th, which is substantially as follows:

On the 11th instant an officer from the garrison of Parral visited Major Tompkins, whose column was then ten miles distant from Parral, and invited him to enter city, which invitation was accepted on the 12th, when the column entered city and Major Tompkins was received by military commander and civil authorities. Later, column left city, Major Tompkins being accompanied by General Lozano; but upon reaching outskirts it was attacked by citizens and soldiers whom General Lozano vainly tried to disperse. The column continued to retreat under attack for fifteen miles, meanwhile two soldiers being killed, six wounded and one missing. As already reported, apparently trustworthy unofficial reports place Mexican dead at forty. Officers believe attack was preconcerted and that ambush was deliberately planned. General Pershing's official report will follow.

LETCHER

II

From Pershing:

"PALOMAS, April 15, 1916.

"COMMANDING GENERAL, SOUTHERN DEPARTMENT, Houston, Texas:—

"My telegrams of yesterday confirmed. Full report from Brown and Tompkins this morning. Tompkins column two troops, M and K, 13th Cavalry, entered Parral 11 a. m., 12th instant. Tompkins preceded, was cordially received by higher civil and military officials. Military commander, General Lozano, accompanied Major Tompkins on way to camp. At the outskirts of town groups of native troops and civilians following, jeered, threw stones and fired on column. Tompkins took defensive position north of railroad but was soon flanked by native troops and forced further retire. About 300 Carranza troops joined in pursuit and Tompkins continued to withdraw to avoid further complications until he reached Santa Cruz, eight miles from Parral. Fighting ceased at fifteen miles from town. Tompkins deserves great praise for his forbearance. General Lozano attempted to control his men when firing began but failed. Brown, with Young's squadron 10th Cavalry, eight miles away when notified, and joined Tompkins 7 p. m. Camping place recommended near Parral was no doubt purposely selected to take advantage of Tompkins' command. Officers believe whole affair planned beforehand but probably without knowledge commanding general. Reported privately 40 Mexicans killed, all soldiers including one major. One civilian wounded. Americans killed, two; wounded, six; missing, one. Major Tompkins slightly wounded in chest by spent bullet. Major Howze arrived Parral yesterday from San Borja and Balleza having had several skirmishes with Villistas. One man killed, two wounded.

Report Villa in mountains southwest San Borja. No food, no forage, officers' description vicinity Santa Cruz, where troops now are. Shall withdraw them by easy marches in direction of Satevo. Can now [not?] supply them from San Antonio.

I am en route to Namiquipa.

"PERSHING"

LETCHER

COBB

File No. 812.00/17886

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, April 17, 1916, 4 p. m.

Following is substance of General Pershing's report on Parral incident. Furnish General Carranza paraphrase thereof for his information and for comparison with reports received from Parral authorities:

On April 11, officer from Parral garrison visited Major Frank Tompkins, then ten miles from Parral, inviting him to enter city, which invitation accepted next day, 11 a. m. when Tompkins, at the head of his column, entered city, and was cordially received by military and civil authorities. Later, column left city, accompanied by military commander, General Lozano, on way to camp. Upon reaching outskirts, column attacked by native troops and civilians, who jeered, threw stones and fired on column, and whom Lozano vainly endeavored to disperse. Tompkins took defensive position north of railroad, but was soon flanked by native troops and forced to retire. About 300 Carranza troops joined in pursuit. Tompkins continued to withdraw until he reached Santa Cruz, eight miles from Parral. Reported apparently 40 Mexicans killed, all soldiers, including one major. One civilian wounded. Americans killed, two; wounded, six; missing, one. Major Tompkins slightly wounded.

LANSING

File No. 812.00/17907

General Funston to the Adjutant General

[Telegram—Extract]

FORT SAM HOUSTON, April 16, 1916.

Following is from General Pershing:

Report Villa has gone southwest San Borja. No food, no forage of any description vicinity Santa Cruz where troops now are. Shall withdraw them by easy marches in direction of Satevo. Can not supply them from San Antonio. I am *en route* to Namiquipa.

FUNSTON

File No. 812.00/17903

[Telegram]

FORT SAM HOUSTON, April 17, 1916.

Following just received from Pershing:

NAMIQUIPA, April 17, 1916.

115. Replying your 106, following résumé of attitude Mexican people and recommend.

There have been apparent attempts by the *de facto* Government forces to cooperate in efforts to capture Villa. In some instances efforts cooperate possibly sincere efforts capture Villa. My opinion is, general attitude Carranza has been one of obstruction. This also universal opinion Army officers this expedition. Carranza forces falsely report all acts against Villa forces and death of Villa leaders. Activity Carranza force in territory through which we have operated probably intentionally obstructive.

Marked example obstruction refusal allow our use of railroads. Captions criticisms by local officials against troops passing through town prompted by obstructive spirit. Columns often delayed for this reason when continuous pursuit was very important. Guerrero fight would have been complete suc-

cess but for treachery Mexican guide. The populace at every critical stage this campaign have circulated misleading information regarding whereabouts Villa band and assisted in escape.

Inconceivable that notorious character like Villa could remain in country with people ignorant his general direction and approximate location. Since Guerrero fight it is practically impossible obtain guides even from one town to another except by coercion. Small bands Carranza troops under guise Villistas have often fired upon our columns.

The further we advance south the less friendly the people have become. The centers population and among members various factions deep-seated sentiment against presence of troops exists. No opportunities lost by our officers explain conditions protocol. At first people exhibit only passive disapproval American entry into country. Lately sentiments have changed to hostile position. The movement of Government troops through Sonora towards our line of communication must be regarded with grave suspicion. Recent outbreak in Parral against troops undoubtedly premeditated. Believe this represents general attitude of both Carranza and Villistas. Little difference between them. Carranza Government may express regret at treacherous indignity inflicted upon our troops at Parral but Government impotent prevent recurrence should we continue pursuit Villa. National control over local government cannot be said to exist this section. Protection to individuals from pillage by both factions not in any case afforded.

In fact, anarchy reigns supreme in all sections through which we have operated. In view these facts, future promises Carranza Government could not be depended upon.

In order to prosecute our mission with any promise of success it is therefore absolutely necessary for us to assume complete possession for time being of country through which we must operate; and establish control of railroads as means of supplying forces required.

Therefore recommend immediate capture by this command of City and State of Chihuahua, also the seizure of all railroads therein, as preliminary to further necessary . . . [blank]

FUNSTON

File No. 812.00/17914

Consul Letcher to the Secretary of State

[Telegram]

EL PASO, April 17, 1916, 5 p. m.

All troops apparently are being withdrawn from territory covered by American soldiers and preparations are being made for these to go south, probably to Parral.

LETCHER

File No. 812.00/17898

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, [undated; received April 17, 1916, 11.50 p. m.]

18. Secretary of State for Foreign Affairs requests me to state for General Carranza that while he has received oral communication in relation to matter of withdrawal American troops from Mexico. presented in note of *de facto* Government 12th instant, he desires formal reply in text of Department Washington.

Evidently there will be no further discussion until such formal note presented. General Carranza undoubtedly desires formal note in order to publish same if it is necessary.

RODGERS

File No. 812.00/17894

Consul Letcher to the Secretary of State

[Telegram]

CHIHUAHUA. April 17, 1916. 11 a. m.

Colonel Brown telegraphed yesterday from Santa Cruz that municipal president, Parral, had delivered to him an ultimatum in writing from military commander here, forbidding his troops to advance one foot more without orders from him or Secretary of War.

Am convinced there is a widespread plan to force immediate withdrawal American troops.

LETCHER

File No. 812.00/17894

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, April 17, 1916, midnight.

44. Received from Consul, Chihuahua, the following:

[Here follows quotation of Mr. Letcher's April 17, 11 a. m.]

You will communicate this information to General Carranza and express the earnest hope of your Government that local authorities will be restrained from negotiating in regard to a matter which should be treated only by their Government. It is believed that action of the municipal president will cause much Villista sentiment. Impress upon General Carranza the seriousness of the situation and endeavor to have him restrain his local commanders from independent action.

LANSING

File No. 812.00/17917

Mr. Arredondo to the Secretary of State

WASHINGTON, April 18, 1916.

MY DEAR MR. LANSING: I have the honor to transmit herein, for your excellency's information, a telegram from my Government, received by General Alvaro Obregon, Secretary of War, from General Luis Gutierrez, military commander in Chihuahua, dated the 14th instant:

I have the honor to inform you that the Parral incident, which we all deplore, was caused solely by the lack of communication with General Pershing, commander of the punitive expedition in our territory, as this officer has at no time informed this Military Commandery of the movements of his troops, and much less has he ever consulted, as he should, as to how he should effect his movements to avoid a conflict with our troops, which are entitled to some attention and indispensable consideration. I bring the above to your attention so that the proper investigation may be made.

I have [etc.]

E. ARREDONDO

File No. 812.60/17894

The Secretary of State to all American Consuls in Mexico except those at Chihuahua City and Mexico City

[Circular telegram]

DEPARTMENT OF STATE,
Washington, April 18, 1916, 6 p. m.

Following for your information and guidance:

Letcher reported, 17th:

Colonel Brown telegraphed yesterday from Santa Cruz that municipal president, Parral, had delivered to him an ultimatum in writing from commander here, forbidding his troops to advance one foot more without orders from him or Secretary of War.

Rodgers has been instructed to make representations to the end that local commanders be restrained from independent action.

LANSING

File No. 812.00/17894

The Secretary of State to Consul Letcher

[Telegram]

DEPARTMENT OF STATE,
Washington, April 18, 1916, 6 p. m.

Your April 17, 11 a. m. Rodgers has been instructed to make representations to the end that local commanders be restrained from independent action.

LANSING

File No. 812.00/17944a

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, April 20, 1916, 6 p. m.

50. Persistent rumor that this Government or some officials in it are friendly to certain revolutionary plots against *de facto* Government. You will, when opportunity affords, assure General Carranza or Secretary of Foreign Affairs that these rumors are without any foundation and that this Government has maintained and purposes to maintain a friendly attitude towards the *de facto* Government. It is believed that these rumors are set afloat for the purpose of causing friction between the two Governments or at least to arouse suspicion in Mexico of the good faith of the United States.

LANSING

File No. 812.00/17947

Mr. Arredondo to the Secretary of State

WASHINGTON, April 20, 1916.

MY DEAR MR. LANSING: I am in receipt of telegraphic instructions from my Government directing me to secure, through the Department under your excellency's worthy charge, data relative to the number of engagements between American forces in Mexico and Villa bandits, the places where the same have occurred and the

names of the American commanders at the head of such forces. If it will be possible for your excellency to furnish me with the above data, I shall appreciate it sincerely.

I have [etc.]

E. ARREDONDO

File No. 812.00/18018

Special Representative Rodgers to the Secretary of State

MEXICO, D. F., April 20, 1916.

Sm: I have the honor to state, in explanation of recent telegrams concerning the general state of affairs in Central Mexico, that reports as to bandits, train robbers, train wrecks caused by bandits, robberies of a general character and lootings, as well as evidence of antagonism to Americans, have been made to me so frequently of late as to indicate that a very bad condition obtains in the States of Guanajuato, Aguascalientes, San Luis Potosi, Zacatecas, Durango and of course, Chihuahua. In the three States first named American business has practically ceased, the mines having been closed and all other American properties which could be suspended having been shut down. I caused investigations as to many of the reported incidents to be made and in each case found that the facts were even worse than reported. The Government apparently is unable to control the situation and therefore it is to be expected that serious results may follow at any time.

Under these conditions I telegraphed to the American Consuls at Aguascalientes and San Luis Potosi that I advised them to use their own judgment as to remaining in the district. Previously I had advised great watchfulness and consultation with American interests. As reported to the Department in another despatch, the American consular agent at Guanajuato resigned his office and removed to Mexico City. He representing to me that living in Guanajuato any longer would, for an American, be very inadvisable.

In view of my general knowledge of the situation in that portion of Central Mexico I concluded that there was no other possible course than to advise the consular officers and Americans to use their own judgment as to leaving. I am very sure that sufficient protection would not and could not be afforded them in event of the conditions developing into the serious phase that would seem probable.

I trust that this action will have the approval of the Department and that it will be recognized that affairs in Mexico at present rather than improving in the region named, are apparently steadily getting worse and therefore that reasonable precaution should be taken.

I have [etc.]

JAMES L. RODGERS

File No. 812.00/17952

The Secretary of War to the Secretary of State

[Extract]

WAR DEPARTMENT,
Washington, April 21, 1916.

SIR: I have the honor to send you herewith copies of General Funston's telegrams 1253, 1254 and 1259, on the subject of the Parral incident.

I have [etc.]

NEWTON D. BAKER

[Inclosures]

General Funston to the Adjutant General

FORT SAM HOUSTON, April 16, 1916.

1253. Following just received from Consul at Chihuahua:

Following from Brig General John J. Pershing dated April 15, 1 p. m., directed to General Funston:

"Full report from Colonel W. C. Brown, 10th Cavalry, and Major Frank Tompkins, 11th Cavalry, this morning.

"Frank Tompkins column Troop K, 13th Cavalry, and Troop M, 13th Cavalry, entered Parral 11 a. m. 12th instant. Major Tompkins preceding, was cordially received by higher civil and military officials. Military Commander Lozano accompanied him on way to camp. In the outskirts of town groups of native troops and civilians following joined, threw stones and fired on column. Major Tompkins took defensive position north of railroad but was soon flanked by native troops and forced to further retire. About 300 Carranza troops joined in pursuit and Major Tompkins continued to withdraw, to avoid further complications, until he reached Santa Cruz, eight miles from Parral. Fighting ceased at fifteen miles from town.

Major Tompkins deserves great praise for his forbearance.

General Lozano attempted to control his men when first began, but failed to.

Col. Brown with Maj. Chas. Young, 10th Cav. squadron of 10th Cavalry, eight miles away when notified, and joined Major Tompkins at 7 p. m.

Camp site recommended near Parral was no doubt selected to take advantage of Maj. Tompkins' command. Officers believe whole affair planned, but probably without knowledge commanding general.

Reported privately 40 Mexicans killed; all soldiers, including one major. One civilian wounded. Americans killed, 2; wounded, 6; missing, 1.

FUNSTON

FORT SAM HOUSTON, April 16, 1916.

1254. General Bell forwards the following from the Consul at Chihuahua:

[Extract.]

CHIHUAHUA, April 15, 1 p. m.

Following is from General John J. Pershing:

"Report Villa has gone southwest from San Borja.

No food, no forage of any description vicinity of Santa Cruz, where troops now are. Shall withdraw them by easy marches in direction of Salvo. Cannot supply them from San Antonio.

I am en route to Namiquipa."

FUNSTON

FORT SAM HOUSTON, April 17, 1916.

1255. Following received from Pershing:

NAMIQUIPA, April 16, 1916.

Further details Parral incident show Carranza captain visited Tompkins' camp at Concho late night 11th instant; stayed all night and took breakfast, assuring Tompkins warm welcome Parral; also arranged for camp and supplies. When troops entered town and during stay people acted friendly. Official inquired minutely size Tompkins' command. Hostility not shown until troops were leaving town. Tompkins withdrew from one position to another to protect command, reaching ranch near Santa Cruz. Mexican troops surrounded hills, kept up desultory fire. General Lozano with troops sent note under flag of truce asking him to move still further north; said he could not control troops. At conference 13th instant with Brown, the presidente expressed regret at occurrence; said it was reported German Consul Edward Cook was instrumental in inciting [blank]. Presidente claimed Tompkins entered town unannounced; said Villistas had captured messenger sent in to announce Tompkins' arrival. Presidente is father of General Luis Herrera whose attitude is still in question. Parral a strong Villista town. Presidente said if troops entered town again there would be another fight. He reported major and six soldiers and one pacifico killed and one colonel and six soldiers wounded.

FUNSTON

File No. 812.00/17919

FORT SAM HOUSTON, April 18, 1916.

1260. Following just received from Pershing:

NAMIQUIPA, April 17, 1916.

Little doubt people assisted Villa evade American troops vicinity Namiquipa. After Guerrero fight inhabitants without exception aided Villa escape, openly giving apparently authentic information based entirely on falsehood. At San Borja, Tompkins' command, hot on Villa's heels, was stopped several hours by Gen. Cavasas, who claimed dangerous enter town because notification his arrival not been received. Same Carranza officers detained Colonel Brown at Cusuhiriachic under same pretense. Several Carranza commanders have asserted they would not permit American troops proceed beyond certain points. Attitude towards columns further south one of decided obstruction. Violent attack Parral preceded by friendly attitude of inhabitants. These attacks facilitated escape Villa band, possibly including Villa himself.

The swift-moving parallel and supporting columns that I have used has succeeded in covering country effectively. Without anything but unreliable and misleading informa-

tion, it is my firm belief that success would have been inevitable. Polite offers of use of railroad and telegraph lines have been only pretense. In nearly every instance the attempt to use these lines blocked by local officials. Several instances known where Mexicans have used telegraph lines falsely reported to be out of condition. Our land telegraph along line of communications constantly halted at various points, often 100 yards being removed, compelling most drastic measures to get telegraph line in condition.

It is, therefore, my conviction, looking back over incidents of campaign to present that the movements of Carranza forces and the acts of civilian population have combined to offer all obstructions possible to the success of the mission.

FUNSTON

File No. 812.00/17956

Consul Letcher to the Secretary of State

[Telegram]

EL PASO, April 21, 1916, 11 a. m.

Referring to removal Colonel Brown to Adela to facilitate the receipt of supplies, I submit that heretofore I have been very successful in employing my good offices with local authorities in securing shipment supplies to our troops at San Antonio, but in view of the circumstances which have lately arisen and the evident purpose of the superior Mexican authorities to force withdrawal of American troops by creating difficulties as much as possible, I do not feel quite sure that further shipments may be made over railroad for military use. I have reason to believe, also, that prohibition of use of telegraph and landing in towns or even passing over by aeroplanes is under consideration. Circumstances seem to indicate that Carranza troops are concentrated around the command of Colonel Brown pending settlement of demands for withdrawal of troops.

LETCHER

File No. 812.00/17951

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, April 21, 1916, 1 p. m.

23. Department's April 20, 6 p. m., received. To General Carranza personally this morning I made practically same statements contained in Department's telegram and mentioned same rumors. He received statement most cordially and said he was endeavoring to preserve all friendly relations. Invited his attention to matter delay supplies for American troops in Chihuahua, and, while he made no promises, am sure he will look into matter and correct abuses. His general attitude exceedingly satisfactory to-day.

Will make proper representations subject Department's telegram April 20, 6 p. m., to Secretary of State for Foreign Affairs immediately.

RODGERS

File No. 812.00/17966a

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, April 22, 1916, 11 p. m.

57. See General Carranza at once and suggest that a conference between General Scott and General Obregon or some other high military officer at some convenient place near border might be of real

value as it would prevent misunderstandings and make possible real cooperation between the forces of the two Governments. Conference should be held immediately if suggestion meets with his approval. Take this opportunity to tactfully impress on General Carranza the importance of holding in Sonora large body of troops now being concentrated there in order to prevent possibility of troops getting out of control of officers in case they should come in contact with our troops.

LANSING

File No. 812.115 C 99/151

Consul Letcher to the Secretary of State

[Telegram—Extract]

EL PASO, April 23, 1916, noon.

General Gutierrez informs me that Pablo Lopez was brought from Santa Ysabel last night and is now in penitentiary here, and that he has confessed to massacre of Americans at Santa Ysabel on January 10 last.

LETCHER

File No. 812.00/17971

Special Representative Rodgers to the Secretary of State

[Telegrams]

MEXICO CITY, April 24, 1916.

26. In reply to Department's 57, April 22, 11 p. m., have tried all day to get conference here General Carranza. Late this afternoon informed by Foreign Office that appointment to see First Chief will be made for to-morrow morning. There apparently will be no trouble arranging for military conference though may be objection to treating with General Scott for reasons already stated. Represented to me privately General Obregon anxious to go.

Privately informed that orders for release supplies held Chihuahua will be issued but I will not be informed as Government does not wish to recognize matter officially. Could not confirm this to-day, but information from apparently reliable source.

City full today impending trouble with United States but do not believe there is official warrant for same although newspaper *El Pueblo*, controlled officially, today printed editorial indicating possibility of war.

RODGERS

File No. 812.00/17978

MEXICO CITY, April 24, 1916, 6 p. m.

27. In relation to Department's 57, April 22, 11 p. m., General Obregon and staff left early this morning for El Paso [omission] some other border point to meet General Scott for conference. Probably arriving border Wednesday afternoon. General Obregon also empowered to discuss and settle all questions relating to forwarding supplies to the United States troops.

Action sending Obregon determined upon after conference last night, they having been apprised by Arredondo of suggestion for

military conference to be made by United States. Secrecy as to Obregon's departure deemed expedient to prevent rumor and public excitement as to reasons for his going and also probably for safety.

Conference with General Carranza withheld this account and finally was informed this afternoon as to Obregon's departure by Secretary of State for Foreign Affairs. Assured all greatly pleased by Obregon mission.

RODGERS

File No. 812.00/17978

The Secretary of State to Consul Edwards

[Telegram]

DEPARTMENT OF STATE,

Washington, April 25, 1916, 6 p. m.

Department informed General Obregon is coming to border to meet General Scott. If Obregon arrives at Juarez inform Department and General Scott at once. Get in touch with General Obregon, if possible, and do all you can to arrange for interview as promptly as possible. If neither General Scott or General Funston are there when he arrives explain that their absence is due to the fact of not knowing his plans.

LANSING

File No. 812.00/17978

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, April 25, 1916.

60. Your 27, April 24th, 6 p. m.

Notify us at once where General Obregon expects to meet General Scott and General Funston so we can notify them to proceed to that point promptly. If they do not meet him promptly on his arrival at border explain to officials that delay is result of their not knowing where to meet him.

LANSING

File No. 812.00/17999

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, April 26, 1916.

General Obregon has gone to Torreon, thence on to Juarez for conference with General Scott. Silliman confirms my April 26, 8 p. m., in which contained information that Obregon passed Paredon *en route* to Torreon.

BLOCKER

File No. 812.00/17984

General Funston to the Adjutant General

[Telegrams]

FORT SAM HOUSTON, April 25, 1916.

1306. Following received from Pershing:

Following delayed reports Major Howze's pursuit of Villistas from April 4 to April 12. Covered country Cusiuhuirachic, San Borja Balleza, Valley Parral, meeting opposition over entire route. On 8th instant near San Borja about two hundred fifty mounted Carrancistas, apparent General Colvosso's command, charged advance guard Howze's command. Only by coolness Major Howze and splendid discipline command was battle averted. Officers believe action intended provoke fight. At San José Del sitio intense bitterness encountered. Refused sell any supplies and attacked camp at night. Near Lajoya April 10 columns attack in canyon and again on evening 11th near Santa Cruz resulting in one American killed and three wounded and four Mexicans killed and two wounded. Arriving near Parral command was warned against remaining in vicinity. Country traversed very mountainous and barren. Howze believes Villa either hiding in section around San José Del sitio or in mountains southwest San Borja. Entire populace refused sell anything Howze command.

FUNSTON

File No. 812.00/18000

FORT SAM HOUSTON, April 26, 1916.

1314. Following just received from General Pershing:

NAMAQUIPA, MEXICO, April 25, 1916.

157. A report dated April 24 received today from Colonel Dodd whose column of 4 troops of 7th Cavalry has been operating southwest of Minaca states that he overtook a band of Villistas near Tomachio on the 22d, 4 30 p. m., killing 6 and wounding 19 others, many probably fatally. 25 horses were captured. Our loss 2 killed and 3 wounded. Fight lasted until dark. Impossible to tell definitely loss of Villistas. Dodd's column when previously heard from was at Tena-chic 17th. Country reported very rough. March made over very difficult mountain trails. Villistas reported, under leadership of Cervantes Rios Baca and Dominguez, numbered 150 to 200. Baca reported killed yesterday at Santa Tomas. Do not give entire credit to report of his death. Dodd returning to Minaca. Late report from Colonel Erwin states that on the 20th instant scouting party from his command encountered small body of Villistas near Cocomorachic and mortally wounded 4. Seventh Cavalry except 2 troops at Bachineva will be concentrated at Providencia temporarily for supplies and recuperation. Wounded in Dodd's command doing well and none expected to die.

FUNSTON

File No. 812.00/18003

The Adjutant General to General Scott and General Funston

[Telegram]

WAR DEPARTMENT,
Washington, April 26, 1916.

1172. You will meet General Obregon and discuss with him the future military operations of our forces in Mexico on the following basis: The Government of the United States earnestly desires to avoid anything which has the appearance of intervention in the domestic affairs of the Republic of Mexico. It desires to cooperate with the *de facto* Government of that Republic, and its pursuit of the bandit Villa and his bands is for the sole purpose of removing a menace to the common security and the friendly relations of the two Republics. So long as he remains at large and is able to mislead numbers of his fellow citizens into attacks like that at Columbus, the

danger exists of American public opinion being irritated to the point of requiring general intervention. For, of course, depredations on American soil and the loss of lives of American citizens cannot be tolerated, and one other such experience would make it difficult to restrain public opinion here. The Government of the United States realizes that the *de facto* Government of the Republic of Mexico is equally anxious to avoid occasions of conflict and misunderstanding. It likewise realizes that public opinion in the Republic of Mexico must be taken into consideration. It, therefore, has instructed its military commanders to observe the most considerate sense of all the proprieties, to recognize in every way the dignity of the Republic of Mexico and its *de facto* Government, and to proceed with its operations in harmonious cooperation with the military forces of Mexico towards an object which is, of course, of common concern and of even greater importance to the Government of Mexico than to that of the United States, since the major portion of the depredations and lawlessness committed by the bandit Villa is upon Mexican soil. Suggest to General Obregon that the presence of American troops in Mexico, if welcomed by Mexican authorities, can have no other appearance than that of friendly cooperation of two governments to suppress a cause of irritation to their common peace and their friendly relations. The American military commanders will respond instantly to all invitations for cooperation with forces of the Mexican Government. The Mexican Government has the means of locating more or less definitely the present whereabouts of Villa. Upon that fact being determined American military commanders will be glad to aid Mexican commanders in surrounding and capturing him and by such cordial cooperation the permanent friendly relations of the two Governments would be demonstrated to their respective peoples. If it be deemed better American troops can be detained in the northern part of the State of Chihuahua while the forces of the Mexican Government drive Villa and his associates towards the north, in this way enabling the American troops to aid in his ultimate capture. The Government of the United States has no pride involved in who makes the capture, and its only interest is that it should be done expeditiously so that American troops can be withdrawn and the peace of its borders assured. If General Obregon shows a spirit of cooperation, it should be met fully and generously.

If, on the other hand, his attitude should be a peremptory command for the immediate withdrawal of the American troops across the border, General Scott and General Funston should say that that question is a diplomatic question and should be worked out through the agency of the respective Department of Foreign Affairs of the two Republics. Generals Scott and Funston will, of course, treat with General Obregon on the basis of high military representatives of their respective Governments and emphasize the friendly attitude of the Government of the United States toward the Government and people of Mexico, but will insist that, so long as the possibility of further depredations by Villa exists, the withdrawal of American troops would increase the dangers and in any event be very difficult. It is possible that General Obregon may meet you with definitely stated objects on which alone he is authorized by the *de facto* Government to confer with you. If so, the limitations thus imposed on the conference may result in embarrassment in reaching a thor-

oughly satisfactory conclusion. It is, therefore, desired that, without interfering with or delaying your conference with him, you advise the Secretary of War and the Secretary of State at once on the bases presented by General Obregon for negotiations. This will enable further instructions to be promptly communicated to you. Meanwhile, in your conference, you will proceed with full powers to discuss and agree upon all points raised by either of the conferees which relate purely to the military situation including questions of lines of supply and use of railways. All doubtful matters, and all matters which evidently concern the Department of State, will be referred by you to Washington for instructions. It is assumed that General Obregon may follow this course with his own Government in respect of matters on which he is not authorized to confer.

McCain

File No. 812.00/18009

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, April 27, 1916.

Telegram just received from General Obregon at Chihuahua, when translated, states:

Please inform your Government I will confer with General Scott at Juarez. Am leaving for there to-morrow.

General Scott advised.

Blocker

File No. 812.00/18015

Consul Edwards to the Secretary of State

[Telegram]

EL PASO, April 28, 1916.

Referring to Department's April 25, 6 p. m. General Obregon arrived in Juarez at ten a. m. to-day. He was received with profuse military and civil official honors. This Consul met him and conveyed to him the substance of said Department's instructions which were received with manifestations of gratitude. General Obregon and local officials are extremely desirous to have the interview take place at Juarez.

Edwards

File No. 812.00/18017

Consul Letcher to the Secretary of State

[Telegram]

CHIHUAHUA, April 28, 1916.

After interview with the Minister of War yesterday permission was given to ship to Minaca for troops all supplies here awaiting shipment. As it is clear that this is only a special concession and as it is evident that it was given only to facilitate the purposes of the approaching conference at Paso del Norte, I will try to rush all supplies here [comprising?] seventeen cars forward to-morrow.

Letcher

File No. 812.00/18103

Special Representative Rodgers to the Secretary of State

[Extract]

No. 36

MEXICO CITY, April 28, 1916.

SIR: I have the honor to report, for the information of the Department, that immediately after the receipt of the Department's telegram of April 22, 11 p. m., in relation to the matter of arranging for a conference with General Carranza to suggest the meeting of General Hugh L. Scott and General Alvaro Obregon, or some other high officer of the Mexican Army, I tried to make a definite appointment. The telegram was received early on Sunday morning and, as it was Easter Sunday, it was impossible to find any of the officials at an early hour. However, during the early afternoon, I succeeded in finding the Sub-Secretary of State for Foreign Affairs, Señor Amador, and was informed by him that a conference with General Carranza and General Obregon would be arranged for the following morning, which was that of the 24th. Not hearing anything from the Foreign Office in relation to the matter on the morning of the 24th, I reopened the subject, and was informed that I would be communicated with in a short time. About 3 in the afternoon, I was invited to the Foreign Office to see the Secretary of State for Foreign Affairs, General Aguilar and, when I reached there, was asked if my desired conference with the First Chief would be in relation to the desired meeting between General Scott and General Obregon. Upon my reply that such was the fact, he then stated to me that the First Chief desired him to inform me that General Obregon had left for the northern border at an early hour of the morning, it being his intention there to meet General Scott. It was stated to me by General Aguilar that their information of the desire of the American Government to have this conference was communicated to them on Sunday, April 23, by Señor Arredondo, Mexican Ambassador designate to the United States, and that as a result of a conference, which was held at Chapultepec Castle on the night of April 23, it was determined to send General Obregon at once. In view of this statement, I withdrew my request for an interview with General Carranza, after representing to General Aguilar the wish that there should be a firm control of all Mexican forces in the Northern States, this latter being a branch of the general subject I had intended to take up with the First Chief.

I have [etc.]

JAMES L. RODGERS

File No. 812.00/18020

Generals Scott and Funston to the Secretary of War

[Telegram]

EL PASO, TEXAS, April 30, 1916.

We received General Obregon and party on their official call this morning with every courtesy and arranged for conference this afternoon. Mexicans made quite a point of having conference in Juarez which request was acceded to at once. We gave the views of the Department as laid down in instructions and endeavored to get full

cooperation and use of railway. The conference was most amicable throughout but Mexicans contending always for immediate withdrawal of troops from Mexico, saying that Villa is dead or, if alive, innocuous. Two hundred of his followers killed, remainder dispersed, and there is no one now to seek for. Obregon claims that continued presence of American troops in Mexico makes his task most difficult, as no satisfactory explanation can be made to Mexican people. He made no threats. We evidently came to discuss one question, Obregon another. He would not discuss cooperation as he several times put aside politely request for cooperation and use of railway, declining to discuss anything but withdrawal of troops. Conference lasted two hours with deadlock imminent, when conference was amicably broken off, saying the Mexican position would be telegraphed our Government. Conference will be resumed on receipt of reply. General Funston and I think our approved proposition should be adhered to, viz., to hold our present position until our Government is satisfied that Villa is killed or captured, under no circumstances to retire north of Casas Grandes, Chihuahua, until this accomplished. Very few Mexicans are in the Santa Maria and Casas Grandes valleys and should be controllable if desire is sincere. We warned Obregon of collection of bandits near Victoria to invade lower Rio Grande river section of United States, which might bring on a condition in Tamaulipas similar to that now in Chihuahua. Obregon promised to investigate. Nothing has been given out to the press. Request early reply. Copy sent Secretary of War.

SCOTT
FUNSTON

File No. 812.00/18030

The Adjutant General to General Scott

[Telegrams]

WAR DEPARTMENT,
Washington, April 30, 1916, 7.50 p. m.

Your telegram signed Scott and Funston received 4.50 this morning. In reply the following instructions of the Secretary of War are communicated for your guidance:

We desire to make all possible concessions to General Obregon and to the *de facto* Government of Mexico, and concede the probable elimination of Villa, but urge that it is not yet certain and that the formation of similar bands or further activity by undispersed remnants of his followers is not only possible but probable as our most recent reports continue to show attacks upon our people by bands disposed to Villa. We recognize the reasonableness of General Obregon's suggestions and appreciate the hospitality of the Government and people of Mexico but General Obregon will recall that our difficulty arose from an actual hostile aggression upon American soil and that while we are willing to comply with his suggestions so far as we can without again exposing our border, we must safeguard our people especially along that portion of the border where there is little Mexican population and where it is most difficult for the *de facto* Government of Mexico to afford us protection. Suggest willingness, therefore, on our part to retire our forces, in a convenient number of days to permit unhurried removal of supplies et cetera, to a place nearer the border than our present advanced positions, to be agreed upon by you with General Obregon, from which place should further trouble appear we can act promptly and effectively in cooperation with the forces of the *de facto* Government or independently if the need be urgent.

It being understood that complete withdrawal will of course take place so soon as we are assured of the safety of our borders from further aggression. In selecting the place for retirement you should have in mind questions of supply, of ease of operation in case of danger to the border and presence of populations of Americans in Mexico upon whom attack would cause fresh exasperation of opinion in the United States. If General Obregon will agree to the selection of such a place and assure us railroad facilities for supply the presence and activity of our present motor supply system will be removed and one of the most obvious signs of our being there will be removed as a cause of misunderstanding to Mexican people while use of railroads will show that the *de facto* Government understands temporary character of our presence and approves it as furthering the common object of the two Governments.

McCain

File No. 812.00/18031

WAR DEPARTMENT,
Washington, April 30, 1916. 11:59 p. m.

Secretary of War directs you be informed as follows:

We, of course, cannot foresee result of further conference with General Obregon but suggest that if deadlock seems imminent you adjourn for further instructions from Department so as to gain time to pull together outlying parts of General Pershing's force. Every precaution should be taken against sudden or general attack.

McCain

File No. 812.00/18033

Generals Scott and Funston to the Secretary of War

[Telegram]

EL PASO, TEXAS, *May 1, 1916.*

Your telegrams of seven fifty and eleven fifty-nine p. m. April 30, received and carefully considered.

Practically every subject in telegram seven fifty p. m. was considered at last conference except conceding Villa's elimination which was strongly denied as at variance with the facts. Other subjects were politely rejected. We feel that an ultimatum to retire immediately from Mexican soil was only avoided by diplomatic adjournment. Your telegram eleven fifty-nine p. m. instructs that if deadlock seems imminent another adjournment should be attempted for further instructions from Department. We feel certain that deadlock will result. General Funston last night suggested to General Pershing a closer concentration, warning him and every border commander of tenseness of situation and directing precautions.

Every source of information leads us to believe that Mexican generals are certain of our entire lack of preparedness, feeling that they can cope successfully with the United States and propose to attempt it unless we retire at once. General Calles and Gutierrez have left hurriedly for their stations, probably to prepare for an overt act if we do not withdraw.

We expect accurate information of their instructions from inside source about 11 o'clock May 1. An American correspondent reported to us that he showed to Obregon afternoon April 30, press forecast from Washington, D. C., of our instructions. Obregon turned at once to Trevino and said in substance that one mile or five hundred across the border was the same thing so far as it affected the sovereignty of Mexico. We feel that last conference

cooperation and use of railway. The conference was most amicable throughout but Mexicans contending always for immediate withdrawal of troops from Mexico, saying that Villa is dead or, if alive, innocuous. Two hundred of his followers killed, remainder dispersed, and there is no one now to seek for. Obregon claims that continued presence of American troops in Mexico makes his task most difficult, as no satisfactory explanation can be made to Mexican people. He made no threats. We evidently came to discuss one question, Obregon another. He would not discuss cooperation as he several times put aside politely request for cooperation and use of railway, declining to discuss anything but withdrawal of troops. Conference lasted two hours with deadlock imminent, when conference was amicably broken off, saying the Mexican position would be telegraphed our Government. Conference will be resumed on receipt of reply. General Funston and I think our approved proposition should be adhered to, viz., to hold our present position until our Government is satisfied that Villa is killed or captured, under no circumstances to retire north of Casas Grandes, Chihuahua, until this accomplished. Very few Mexicans are in the Santa Maria and Casas Grandes valleys and should be controllable if desire is sincere. We warned Obregon of collection of bandits near Victoria to invade lower Rio Grande river section of United States, which might bring on a condition in Tamaulipas similar to that now in Chihuahua. Obregon promised to investigate. Nothing has been given out to the press. Request early reply. Copy sent Secretary of War.

SCOTT
FUNSTON

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Every source of information leads us to believe that Mexican generals are certain of our entire lack of preparedness, feeling that they can cope successfully with the United States and propose to attempt it unless we retire at once. General Calles and Gutierrez have left hurriedly for their stations, probably to prepare for an overt act if we do not withdraw.

We expect accurate information of their instructions from inside source about 11 o'clock May 1. An American correspondent reported to us that he showed to Obregon afternoon April 30, press forecast from Washington, D. C., of our instructions. Obregon turned at once to Trevino and said in substance that one mile or five hundred across the border was the same thing so far as it affected the sovereignty of Mexico. We feel that last conference

covered so much of latest instructions which have been rejected that in present temper of Mexicans no good will result from proposing them again and we expect a flat ultimatum to get out of Mexico at once or take the consequences. If acceded to this will be a complete victory for Mexicans over the United States in the eyes of the Mexican people already arrogant and encourage further aggressions. Therefore, in order to comply with directions in telegram of 11:59 p. m. no conference will be called until Department sends further instructions. We feel that the border should be greatly strengthened at once to allow concentration of regular troops to meet expected eventualities in Mexico, repel invasion at many border points and cause Mexicans to feel that the United States is able and willing to repel attacks and we believe that if attacks can be prevented at all this prevention will be best accomplished by show of strength. It is common belief that Carranza and Obregon have had a break. Carranza's name was not mentioned once at the conference by any Mexican which indicates that Carranza will have no influence on Obregon's course of action.

SCOTT
FUNSTON

File No. 812.00/18039

Special Agent Carothers to the Secretary of State

[Telegram]

EL PASO, May 1, 1916.

The situation appears critical and deadlock certain. From reliable source am informed that Obregon made the statement to his officers that one mile or five hundred is the same thing in so far as affecting the sovereignty of Government of Mexico and that our troops must leave the country entirely. Border sentiment almost unanimous against withdrawal. General Gutierrez and Calles have returned to their posts and I anticipate immediate action against American troops upon termination of conferences if the decision is against withdrawal. They undoubtedly insist on complete withdrawal or fight. Reports received here of rebel activities in Parral district and in Zacatecas and Durango, also in Mormon colony at Chuichupa. Villa is reported to be in mountains to the northeast of Durango completely recovered from his wounds, endeavoring to effect contact with Bracamontes and other former generals.

CAROTHERS

File No. 812.00/18044

General Scott to the Secretary of War

[Telegram]

EL PASO, May 1, 1916.

Reference to statement in telegram last night that inside information would be forwarded at 11 o'clock to-day a member of Mexican official family at Ciudad Juarez, Chihuahua, stated to a most reliable person that Mexican General has been instructed to be fully prepared to crush or annihilate the American forces in Mexico in case of nonwithdrawal.

SCOTT

File No. 812.00/18045

General Funston to the Secretary of War

[Telegram]

EL PASO, TEXAS, May 1, 1916.

1232-A. Following just received from Colonel W. S. Scott, at Douglas, Arizona:

Orders issued to General Anulfo Gomez by Carranza: Dispose your troops that they shall be in a position cut off American expeditionary forces now in Chihuahua. The action must be sudden and will take place after the Scott-Obregon conference. It will make no difference what else may be decided upon in conference; unless there is absolute withdrawal of American troops the above plans will be carried out. The Sonora troops will be assisted by the troops in Chihuahua.

Colonel Scott believes that these are Calles orders.

FUNSTON

File No. 812.00/18058

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, May 3, 1916.

44. Respectfully suggest Department advise me soon as possible as to news military conference in order that discreet use may be made for the purpose of quieting alarm arising principally from lack information. No reliable news here although am assured privately from Mexican sources that conference is progressing satisfactorily.

RODGERS

File No. 812.00/18097

Generals Scott and Funston to the Secretary of War

[Telegram]

EL PASO, May 3, 1916.

6. May 2. It has been impossible so far to accomplish satisfactorily diplomatic results meeting in a formal way before a hostile audience which General Obregon must satisfy and carry with him. So long as this condition existed such results have been despaired of. From time to time, however, mutual friends have gone to General Obregon privately, entirely unknown to each other and apparently independent of us, who have assured General Obregon of the complete sincerity of the President in his friendship for Mexico upon which he might implicitly rely. They have pointed out, coming entirely from themselves, the deplorable consequences of an attack upon our troops which could only result in destruction of his Government and loss of his country, of our intense personal desire to carry this through in a manner which will insure the welfare and dignity of both countries. This propaganda has now borne fruit in so far that a mutual friend, A. J. McQuatters, President Alvarado Mining Company, Parral, former employee of General H. L. Scott's son at

Parral, notified me last night that General Obregon had requested him to find out if he could meet General Scott privately and secretly in McQuatter's room in hotel to discuss situation alone. This has been answered affirmatively with General Funston's cordial approval and we are waiting now for notification of the time for meeting.

General Scott met General Obregon at the Paso del Norte hotel about 12 m May 2, with J. H. McQuatters, one interpreter, and one stenographer, only persons present during conference. An agreement was reached this morning after a continuous struggle of twelve hours duration which was not equaled by any similar struggle with the wildest and most exasperated Indian heretofore encountered. Conference was usually amicable throughout. Papers were drawn up in English and Spanish, agreed and disagreed to, changed again and again, hours being expended in apparent interminable argument on every subject, the main object being to have a time limit placed upon our stay in Mexico. This was amicably thwarted with great difficulty. McQuatters drew the papers in order to permit General Scott to keep General Obregon from going away and falling under hostile influence awaiting in hallway. The agreement is not altogether satisfactory but if circumstances are considered it will be recognized that it has not been easy to avert a war with Mexico which all believed was imminent. The agreement is submitted for approval. The President has it still in his hands for final determination and may yet reject it unsatisfactory. It is, however, the best that General Scott has been able to accomplish and is thought to be within the scope of instructions, inasmuch as President has announced that he does not desire American troops to stay in Mexico indefinitely and he has their rate of progress toward the border in his own hands. General Obregon has promised, in case of approval of agreement by both Governments, to withdraw his Sonora troops which threaten General Pershing's line of communications west and away from Pulpite Pass and to granting use of the Casas Grandes railroad for transportation of food, forage and many other uses but excepting munitions of war. Obregon requests our stay here until both Governments are heard from to adjust differences if thought necessary. Will be done subject to the approval of the Department.

EL PASO, TEXAS, *May 2, 1916.*

Memorandum of conference between General Alvaro Obregon, Secretary of War of the Republic of Mexico, Major General Hugh L. Scott, United States Army, and Major General Frederick Funston, United States Army, to which they all subscribe, and transmit to their respective Governments with their recommendations for approval.

In view of the fact that the American punitive expeditionary force destroyed or dispersed many of the lawless elements and bandits who committed the recent outrage upon American territorial officials at and near Columbus, N. M., or have driven them far into the interior of the Republic of Mexico, and in view of the further fact that

the Constitutionalist Government declares to the United States Government that they are carrying on a vigorous pursuit of such small numbers of bandits or lawless elements as may have escaped, and in view further of the full assurance of the Constitutionalist Government that their forces are, at the present time, being augmented and strengthened to such an extent that they will be able to prevent any disorders occurring in Mexico that would in any way endanger American territorial officials, and in view of the further assurances of the Constitutional [sic] Government that they will continue to diligently pursue, capture or destroy any lawless bands or bandits that may still exist or hereafter exist in the Northern part of Mexico, the Government of the United States has decided to gradually withdraw the forces of the punitive expedition from Mexico, commencing the withdrawal immediately. In fact the American Government has already withdrawn small bodies of troops for a distance of approximately one hundred miles from most southerly point penetrated by them, in order to more conveniently supply the expeditionary forces with food and forage which are almost wholly lacking in that particular part of Mexico.

The Constitutional [sic] Government of Mexico will make proper distribution of such of its forces as may be necessary to prevent the possibility of invasion of American territory from Mexico.

The decision of the American Government to continue the gradual withdrawal of the troops of the punitive expedition from Mexico was inspired by the belief that the Mexican Government is now in a position and will omit no effort to prevent the recurrences of invasion of American territory and the completion of the withdrawal of American troops will only be prevented by occurrences arising in Mexico tending to prove that such belief was wrongly founded. The conferees representing both Governments express satisfaction at the friendly settlement of the questions discussed at the conference, and believe that this will solidify the good relations existing between their respective countries.

SCOTT
FUNSTON

File No. 812.00/18067

General Funston to the Secretary of War

[Telegram]

EL PASO, May 4, 1916.

1335-A. Following received from Pershing, delayed account garbled condition.

May 1, Number 160. Allen and Howze arrived here 29th, Brown and Tompkins today. All cite instances not hitherto reported and give absolute proof of deliberate and premeditated intention on part of Carranza forces from the first to prevent success this expedition. Carranza's officers have stated openly that they would not allow Americans to capture Villa and as already stated in previous reports they have without doubt aided him to escape and falsely reported his death during past week. Animals arriving from south need few days recuperation here to put them on their feet again. Grazing good here for this time of year. Several days on hand.

FUNSTON

File No. 812.00/18058

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, May 6, 1916.

69. Department informed Generals Scott and Obregon have reached satisfactory agreement and that result of their conference has been referred to General Carranza for his approval which, according to General Obregon, is still being awaited.

Discreetly ascertain and telegraph General Carranza's attitude in matter soon as possible.

LANSING

File No. 812.00/18098

General Scott to the Secretary of War

[Telegram]

EL PASO, May 6, 1916.

Have waited all day for promised notification of receipt by Obregon of instructions. No result. Obregon has said to Americans in Juarez that his instructions had been received but that several changes were desired; that he intends to leave to-morrow at twelve o'clock. This confirmed by conductor of his train. Trevino left to-day. Mexican officers in Juarez said to be excited. Obregon said Mexican people are excited. Consul Garcia said to three people to-day that he does not see how agreement can be accepted by Mexico without a definite date for withdrawal of troops. From all of which it is surmised that Carranza has not approved agreement and Obregon proposed to leave to-morrow. The press correspondents declare on other hand that agreement has been approved by Carranza. Am awaiting result here.

SCOTT

File No. 812.00/18073

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, May 7, 1916.

Telegram received this morning by Collector Customs, Eagle Pass, from Customs Inspector at Marathon, Texas, stating Mexicans raided Glen Springs Friday night killing three American soldiers of Troop A, 14th Cavalry, and boy, nine years old, several others missing. Dead will arrive Marathon to-night. They later raided Boquillas, Texas, captured and carried off M. J. Deemer and L. Coy, others missing. Seventy-five Mexicans in party. They returned to mountains after committing depredations. Carranza commander Piedras Negras is wiring for further proofs.

BLOCKER

File No. 812.00/18073

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, May 7, 1916.

72. For your information. Department just received following telegram from American Consul, Piedras Negras: [Here follows telegram from Vice Consul Blocker of May 7, 1916.]

Bring same to attention *de facto* authorities and impress upon them seriousness of incident, especially at this time.

LANSING

File No. 812.00/18073

The Secretary of State to Vice Consul Blocker

[Telegram]

DEPARTMENT OF STATE,

Washington, May 7, 1916.

Your May 7. Cooperate with Collector Customs and military commander, Eagle Pass, in every way possible, in order to facilitate recovery of bodies of murdered Americans and to provide such measure of safety as is possible for the families of the victims. Keep Department fully and promptly informed.

LANSING

File No. 812.00/18081

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, May 7, 1916.

47. In reply to Department's 69, May 6, 5 p. m. General Carranza satisfied with general results of conference but has instructed General Obregon to-day to endeavor to have omitted from formal written agreement "all explanations of reasons, et cetera". Cannot elucidate quoted matter but suppose it means *de facto* Government wishes only simple agreement for withdrawal American troops and assumption their duty by Mexican troops to appear of record before people Mexico.

Informed General Carranza will be ready to proceed with negotiations protocol as soon as military conference satisfactorily concluded which he believes will be immediate.

Know Government has been much worried by recent border raid at or near Ojinaga, fearing it would prejudice result conference. General Carranza claims perpetrators that outrage were refugee Mexicans who crossed from American territory and returned after raid, object of which was to make it appear border still unsafe. Have no details this affair and no announcement of same here. All information above from absolutely authoritative source.

RODGERS

File No. 812.00/18083

General Funston to the Secretary of War

[Telegram]

EL PASO, May 7, 1916.

1346-A. Troops A and B 8th Cavalry, Major Langhorne commanding, four wagons, four automobile trucks left here 7.10 p. m. for Marathon to push south immediately upon arrival there to run down bandits who have recently raided the American side in vicinity Glen Springs and Bouquillas. They have orders to cross to the Mexican side if it becomes necessary in pursuit of bandits and assisting besieged Americans in mines on Mexican side near river.

Colonel Sibley with Troops F and H and machine gun troop 14th Cavalry, pack train from Fort Houston, five automobile trucks and seven wagons will leave Fort Clark with same orders for Marathon either to-night or to-morrow morning and follow Major Langhorne.

As there are no wire communications from Marathon south to points on the river 75 to 90 miles distant arrangements have been made for department signal officer to run ground line from Marathon south.

FUNSTON

File No. 812.00/18098

Generals Scott and Funston to the Secretary of War

[Telegram]

EL PASO, May 7, 1916, 3.45 p. m.

13. We have just returned from informal conference with Obregon and Amador, Mexican Foreign Office. The First Chief had telegraphed from Mexico that reported Lajitas incident may have so changed situation as to have made it improper to ratify agreement. Conferees were informed Lajitas incident was found after investigation to be untrue. Mexicans then asked if raid in Big Bend Rio Grande last Friday would prevent ratification of agreement. We answered in effect that while this tended to prove present inability of Mexican Government to protect our border yet we were willing to go on with ratification. Mexicans asked for adjournment to telegraph this to Mexico hoping for answer and another conference to-morrow. This was acceded to. Emphasis was put on our sincere intentions and the fact that we are desirous ourselves to leave Mexico when we can safely do so, and the way to bring about this result at the earliest possible date would be to carry out at once their promises to safeguard our border and we would carry out the spirit of agreement, not seizing a pretext for delay after Mexicans had really brought about safety on our border. They were also informed that Salazar is reported at Janos with six men waiting for us to withdraw our troops so the Mexicans about Casas Grandes, Galena, et cetera, can begin depredations once more.

SCOTT
FUNSTON

File No. 812.00/18082

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, TEXAS, May 8, 1916.

My May 7, 10 p. m. Department's May 7, 10 a. m. Official advices from Marathon report all women at Glen Springs being carried to Marathon by army trucks. Later reports say three soldiers killed, two wounded and four missing, which was all that were stationed there. Deemer and Coy reported found with throats cut. Dead number six in all and two wounded. Band said to number nearly two hundred. Colonel Sibley at Fort Clark left yesterday for scene of raid with two troops cavalry and machine gun platoon. Glen Springs approximately two hundred miles from here but customs guard have been ordered to report developments. Department will be advised as reports are received. Carranza commander Peraldi sending troops from Muzquiz to Bouquillas to ascertain whereabouts bandits. But little faith is put in their efforts.

BLOCKER

File No. 812.00/18085

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, May 8, 1916.

In reply to Department's 72, May 7. Mexican raid described to-day same mentioned in 47, May 7, 7 p. m. although details given me different. Government caused publication their version papers here to-day, this being about same as given in my telegram. No details published. Also announced successful conference agreement.

Have made representations as instructed. They are evidently much worried over situation.

RODGERS

File No. 812.00/18125

Generals Scott and Funston to the Secretary of War

[Telegram]

EL PASO, May 8, 1916.

16. After an amicable conference covering hour and a half with Obregon and Juan Amador, their last statement was that their Government would not ratify agreement Obregon had signed which was approved by our Government, on the grounds that no date was set for complete withdrawal and the agreement was therefore too indefinite and a danger to Mexico.

To this was replied that a date could not be set for it is hoped that a cooperation with Mexican Government would bring about such a condition of safety on our border that we could withdraw, but only if the condition was present, not any specified date, which date might find the necessary condition unfulfilled.

Obregon was reminded of his having concurred in and signed the agreement. He replied that this showed that Mr. Carranza had

more sense than he had. Obregon submitted a verbal agreement to be made between military commanders not to be ratified by either Government nor reduced to writing for the occupation of both sides of the border.

He spoke sending General Trevino and troops from Coahuila and Gomez from Sonora to Chihuahua, our troops to begin withdrawal and theirs to follow them to the border.

We feel that the whole proposition is redolent with bad faith, that Mexicans are convinced that they are not able to carry out agreement even if ratified and they desire to keep the United States troops quiet until Mexican troops are in position to drive them out of Mexico by force.

Obregon was asked to submit his proposition in writing at his earliest convenience. He promised to do this to-night or to-morrow.

He was told that he could not be encouraged to hope that such a proposition would be agreeable to our Government, but we would submit it when received.

We expect many attacks along whole border similar to latest attack in Big Bend Rio Grande.

Our line is thin and weak everywhere and inadequate to protect border anywhere if attacked in force.

There is no adequate reserves. There are many calls for help on border which can not be given and we think the border should at once be supported by at least 150,000 additional troops.

We have struggled for a different result with all our intelligence, patience and courtesy, hoping against hope for a peaceful solution but are now convinced that such solution can no longer be hoped for.

In order to give some added protection to border points exposed to raids it is recommended militia of Texas, New Mexico and Arizona be called out at once, final action as to that of other States to be deferred until receipt by us of Obregon's proposal.

SCOTT
FUNSTON

File No. 812.00/18142

Vice Consul Blocker to the Secretary of State

No. 1037

AMERICAN CONSULATE,
Piedras Negras, May 8, 1916.

SIR: I have the honor to report to the Department that on Friday night May 5, the Columbus raid was repeated at Glen Springs, and Boquillas, Texas.

As has been reported in my telegrams of May 7, 11 a. m. and May 8, 11 a. m., Mexican bandits estimated to number 200 men entered Glen Springs, Texas, some 20 miles from the border. Only 9 American soldiers were in the town, which were routed after a fight lasting two hours, resulting in the killing of 3 soldiers, a nine year old boy, wounding 2 soldiers and carrying away 2 Americans by the name of M. J. Deemer and L. Coy.

After the raid they then returned toward the border and attempted to raid Boquillas, Texas, on the next night (Saturday), but

were driven off by the armed employees of the mining company at that place. When last heard from they were headed toward the Sierra del Carmen ranging along the Coahuila-Chihuahua border.

A recent report states that Deemer and Coy have been found dead with their throats cut from ear to ear near the boundary line.

Army trucks have been despatched to the scene to carry away the women and children, and two troops of cavalry, one machine gun platoon left yesterday from Fort Clark, Texas, commanded by Colonel F. W. Sibley.

Reports that have been received here are only meager, but orders have been telegraphed the custom inspectors at Marathon, the nearest town on the railroad and Boquillas, Texas, to telegraph a full report on the matter at the earliest possible moment. Their reports are expected to arrive to-day.

The Vice Consul has communicated such information as has been obtained to the Carranza commander, Colonel Peraldi, in Piedras Negras who refuses to believe that the band numbers over twenty men, but has despatched troops from Muzquiz across the mountains, some one hundred twenty-eight miles from Boquillas, to endeavor to locate the bandits. Military officers in Eagle Pass, as well as this Consulate, place very little faith in receiving any results from Carranza troops, basing our beliefs on past instances in Chihuahua and other parts of the Republic where bandits have always successfully committed their depredations without danger of Carranza soldiers. The number of troops in this district at the present moment will also be a great drawback to any speedy action of Carranza troops. At Muzquiz, Boquillas, Mexico and Las Vacas, the nearest points to the scene, there are only small garrisons, probably two hundred in all.

A report is current that Rosalio Hernandez, ex-Villa commander is in command of the band, that he left Sierra Mojada several days at the head of five hundred men in the direction of the border. The Vice Consul does not place any faith in this rumor and neither do the military. It is believed that this band is connected with the small bands reported to be using the Sierra Del Burro as a rendezvous and are commanded by ex-Villa officers or Diaz supporters, who had rather see intervention than submit to Carranza as head of the Mexican Republic; and making such raids with that end in view.

Yesterday, May 8, another car of munitions arrived in Eagle Pass consisting of four hundred forty-three thousand rounds of five metal patched ammunition."

The car was discovered by an American noncommissioned officer in charge of inspecting cars at the Southern Pacific depot, who broke the seals in the presence of two employees of the railroad company. The commander of the American forces at Eagle Pass took charge of the car and has moved the contents to the post. The amount of ammunition now on hand at Camp Eagle Pass is approximately one million rounds, all of which has arrived since April 1. The car containing the last shipment of ammuni-

¹² See Embargo against the exportation of arms and munitions of war to Mexico, p. 787.

tion had no marking as required by law, showing that it contained explosives. The shipment came from the Western Cartridge Company of East Alton, Illinois.

The Department will be advised daily of all reports received. by telegraph followed by despatch.

I have [etc.]

WILLIAM P. BLOCKER

File No. S12.00/18106

General Funston to the Secretary of War

[Telegram]

EL PASO, May 9, 1916.

1349-A. Following just received from Colonel Sibley, Marathon, Texas:

Carl Halter, superintendent and six employees International Mining Company, captured by raiding Mexicans Saturday at Mexican terminal of tramway at Boquillas, succeeded in escaping yesterday morning by overpowering guard of three men about twenty-five miles south of border arriving here this morning. At Boquillas they turned prisoners over to sheriff Walters of Alpine. Deemer and a negro are the only Americans now missing. Halter says Deemer riding on a wagon being taken south was assured he would not be harmed. Mexicans believed to be same party that looted Sierra-Mouava, Coahuilla and who captured Juan Bilboa. Officer in charge of party stated you people have been looking for Villa. I will show him to you in Laguna [Laguna].

FUNSTON

File No. S12.00/18126

General Scott to the Secretary of War

[Telegram]

EL PASO,

[Not dated, received at War Department,

May 9, 1916, 6.25 p. m.]

19. Juan Amador came to the car this morning and brought the following letter from Obregon and stated that Obregon would bring here at 5 p. m. to-day his plan for safeguarding our border by both Governments. Amador was invited not to allow any attack on General John J. Pershing's troops or permit any approach to his neighborhood by large forces from direction of Torreon or Sonora through Pulpite Pass. This he promised to prevent. He was told that such an attack would in all probability result in the destruction of his Government. He replied that such a break not to be thought of. He was assured that this is the feeling and hope of our Government. This plan was reported yesterday and explained to third party out of conference, contemplates immediate withdrawal of American troops and a zone on each side of the border to be occupied by troops of each nation on their own soil. This would mean immediate withdrawal of our troops without guarantee that any promise would or could be carried out, while continued occupation of Mexico is our only hold on Mexican Government to insure fulfillment promise.

Letter follows:

General Obregon to General Scott

[Translation]

JUAREZ, May 9, 1916.

MY DEAR GENERAL: Permit me to confirm our conversation of yesterday in your special car, to the effect that my Government has instructed me not to accept the memorandum that you and I had formulated for the purpose of submission to the consideration of our respective Governments, because said arrangement not only would fail to satisfy the desires of the American and Mexican Governments to solve the difficulties, but, on the contrary, would produce new and greater difficulties, because said memorandum does not set a fixed time for the retirement of the troops and states one of the conditions ambiguously, with a note which at the end says: * * * and the termination of the withdrawal of the American forces will only fail of being carried to a conclusion if there should occur in Mexico something which might tend to demonstrate that such belief was without foundation. To accept this clause would be equivalent to our Government sanctioning beforehand the indefinite stay of the American army in our territory, should there happen any incident not foreseen and for which the Mexican Government should not be made responsible.

I am pleased, General, to reiterate to you assurances of my distinguished consideration and sincere appreciation.

A. OBREGON
SCOTT

File No. 812.00/18102

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, May 15, 1916.

Reports from south indicate general movement of *de facto* Government troops north to Chihuahua and Coahuila. General Maicotte, Chief of Arms at Torreon, arrived Piedras Negras Sunday with long train empty cars indicating his troops have been left at stations between Piedras Negras and Monclova. It is reported three trains have arrived Monclova *en route* to Piedras Negras ostensibly for patrol duty. Authorities state border will be secure against further raids when these troops are properly distributed. Third United States Infantry arrived Eagle Pass to-day. First train from south for three days arrived Piedras Negras this morning bringing only a few American refugees. Temper people quiet.

BLOCKER

File No. 812.00/18151

Consul Dawson to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Tampico, May 13, 1916.

Americans are arriving from interior with report of recruiting activity and Mexican preparations for war. City of Victoria especially mentioned as point of concentration. Similar rumors concern Tampico. Feeling of uneasiness becoming general and British Consul shares therein and has asked my cooperation in the protection of his people. It is generally believed General N. expects war and is preparing his people to expect it. Apropos thereof, ugly rumors circulating of his intentions with respect to Americans, chief of

which is threat to round up as many Americans as possible and abandon city with them when the proper time comes. This would not be difficult if we are not forewarned of impending trouble.

Owing to general ignorance of real conditions of affairs and probable solution, men of the colony are discussing plans for defense, in cooperation with ships, believing they are not justified in trusting General N. or awaiting actual emergency of which local authorities are sure to have first knowledge, if *de facto* Government or its troops force an open breach.

DAWSON

File No. 812.00/18176

Special Agent Silliman to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Saltillo, May 15, 1916.

I had an interview with Governor at noon. He stated that Mexican Government has no telegraphic communication with its border garrison at point of the recent raids except by way of Texas. Press reports and some other information from American sources indicate that American troops may have already crossed to Coahuila in pursuit of banditti. Governor stated his information was that they would consider the situation exceedingly grave since in the absence of other instruction his present instruction from Mexico would oblige him to opposition. He confirmed previous report of having despatched cavalry from different points in pursuit of banditti. Governor was personally very friendly. Americans here now twenty-three.

SILLIMAN

File No. 812.00/18171

Consul Bowman to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Frontera, May 16, 1916.

The Mayor of Frontera has received instructions from Governor to organize the citizens for defense, treating the question of a war as a certainty but not yet declared. Americans have not been ill-treated though usual threats from irresponsible people have been made.

BOWMAN

File No. 812.00/18178

The Assistant Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, May 16, 1916.

MY DEAR MR. SECRETARY: Referring further to your letter of April 29, 1916,* inclosing copy of a letter, dated April 20, 1916, from Mr. Eliseo Arredondo, the local representative of the *de facto* Govern-

* Not printed.

ment of Mexico, in which he requests to be furnished with certain information concerning the United States military forces now operating in the State of Chihuahua, Mexico, and in which letter you request to be furnished with a statement embodying the desired information, in order that an appropriate reply may be made to Mr. Arredondo's letter, I have the honor to quote for your information, the following report of the commanding general, Southern Department, Fort Sam Houston, Texas, to whom your letter and its inclosure were referred:

1. The number of engagements between American forces, in Mexico, and Villa bandits, the places where the same have occurred and the names of the American commanders at the head of the forces, are as follows:

1. At Columbus, N. M., and across the International Boundary, Colonel Herbert J. Slocum, commanding.
2. Guerrero, Colonel George A. Dodd, Cavalry, commanding.
3. Balleza Valley, near Parral, Major Robert L. Howze, 11th Cavalry, commanding.
4. Tomachic, Colonel George A. Dodd, commanding.
5. Ojo Azules, Major Robert L. Howze, 11th Cavalry, commanding.

Sincerely yours,

WM. M. INGRAHAM

File No. S12.00/18186

General Funston to the Secretary of War

[Telegram]

FORT SAM HOUSTON, May 17, 1916.

1418. Following instructions have been sent Colonel Sibley commanding expedition in Mexico in vicinity Bouquillas:

As soon as you have accomplished purpose of your expedition or as soon as it becomes apparent that further desired results can not be promptly accomplished return with all your troops to the north side of Rio Grande River and report for further instructions. Major Langhorne and his troops are included as part of your command in foregoing instructions. Your troops should all be north of Rio Grande by May 25 or May 26.

FUNSTON

File No. S12.00/18176

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,

Washington, May 18, 1916.

Your May 15, 4 p. m. It is assumed *de facto* Government will not oppose pursuit of bandits raiding American territory while matters discussed at Scott-Obregon conference are subject of negotiations between both Governments. If you think Governor apt to carry out threat to oppose pursuit bandits, discreetly call above to his attention.

American force pursuing Glen Springs raiders into Mexican territory.

LANSING

File No. 812.00/18190b

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, May 18, 1916.

85. Department informed, from various sources, of extensive troop movements from various points toward the border. Most of these troops equipped with heavy artillery.

Discreetly investigate and endeavor to ascertain reasons for these movements and keep Department promptly advised by telegram.

POLK

File No. 812.00/18191

General Funston to the Secretary of War

[Telegram]

FORT SAM HOUSTON, May 18, 1916.

1438. Following from General Bell, El Paso, repeated.

A Mexican who arrived in Juarez this morning direct from Torreon, Coahuila, states that heavy movement of troops from Torreon towards Chihuahua started Saturday and that the first troops reached Chihuahua Sunday. Before he left Torreon two heavy trains of about thirty cars each arrived there with troops from Vera Cruz or Mexico City and he heard that others were on the way. In coming up from Torreon he saw eighteen trains and on two of these counted seven pieces of artillery and on three other trains counted nine more making a total of sixteen pieces of artillery. He also saw many machine guns. To date so far as known there are no troop trains this side of Chihuahua. The troop movements are very slow and deliberate. Last night the Consul of the United States at Chihuahua said it was undoubtedly true that a large concentration was taking place and that every effort was being made to give it wide publicity. He characterized the whole thing as a swashbuckler movement. He also stated that Canuto Reyes and Calixti Contreras were with General Trevino as their commands were disarmed when they surrendered and that disarmament was not to take place until it was seen what the Americans would do.

FUNSTON

File No. 812.00/18205

Special Agent Silliman to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Saltillo, May 19, 1916, 7 p. m.

Department's May 18, 8 p. m. Governor has no discretion in the matter. He is in constant telegraphic communication with the First Chief. He showed me yesterday afternoon a second telegram from the Chief, repeats previous instruction received as reported in my May 15, 4 p. m. If this instruction means what it plainly says a clash is within the possibilities.

Will keep Department fully informed and do all possible here.

SILLIMAN

File No. 812.00/18194

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, May 19, 1916.

Re confirmation of concentration of troops of *de facto* Government at Allende has been received. Americans arriving from there state troops arriving in small squads daily. Number now near one thousand. Allende thirty miles from Piedras Negras. These forces have stated they are concentrating to prevent further invasion from American forces. Reports from Muzquiz and Monclova indicate *de facto* Government not pushing expeditions that left Monclova and Muzquiz; have proceeded only short distance. It is evident that little assistance will be given. Sibley, commander American forces, Eagle Pass, advised.

BLOCKER

File No. 812.00/18201

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, May 19, 1916, 9 p. m.

76. In reply to Department's 85, May 18. Obregon says troops have moved north only to comply promises for the protection of border. Asserts no trouble in all probability.

Obregon denied truth report current to-day that he is leaving for north very soon. He appears in good humor.

This statement obtained by trustworthy agent mine. Continuing investigation.

RODGERS

File No. 812.00/18206

Special Agent Silliman to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Saltillo, May 20, 1916, 4 p. m.

Governor called me for another private conference at noon to-day. He said that while the Mexican Government had no notice from the Government of the United States that an armed American expedition has entered into this State it appeared to be generally known that such an expedition had actually entered. He said that he wished to repeat again to me in the most friendly way and with a desire to avoid international trouble that if such an expedition had entered, it should be immediately withdrawn as his peremptory orders were to attack and commanders in the field have been so instructed. Said that nearly all forces of the State have been ordered north to pursue bandits and patrol border; that a column of cavalry was *en route* to Boquillas del Carmen and expected to arrive at that place within two days. All arguments and reasons including De-

partment's suggestion submitted to him, politely received, but produced no impression. The only point made was that on a presumption that troops had crossed and having accomplished their purpose were withdrawing or about to be withdrawn, the situation would be altered, but even in that case I was informed that First Chief would have to define the attitude to date taken by the Mexican troops. Governor at my request agreed to ask General Carranza by telegraph this afternoon for permission to halt column proceeding to Boquillas until the situation could be communicated to Secretary of State. Mexican communication with this column is only through Texas and courier to column. There is no communication with other columns except by courier. This telegram repeated urgent to Mr. Rodgers.

SILLIMAN

File No. 812.00/18450

The Secretary of Foreign Relations of the de facto Government of Mexico to the Secretary of State

[Left at the Department of State by Mr. Arredondo]

[Translation] .

MEXICO, FEDERAL DISTRICT,
May 22, 1916.

MR. SECRETARY: I am instructed by the First Chief of the Constitutional Army in charge of the Executive Power of the Union, to transmit to your excellency the following note:

1. The Mexican Government has just been informed that a body of American troops, crossing the international line, has entered Mexican territory, and is at present near a place called El Pino, some 60 miles to the south of the frontier.

The passage of these troops, again carried out without the consent of the Mexican Government, gravely endangers the harmony and good relations which should exist between the Government of the United States and that of Mexico.

This Government is forced to consider this act as one violating the sovereignty of Mexico, and, in consequence, urgently requests that the Government at Washington give the matter its most careful consideration with a view to define, once for all, the policy which it should pursue as regards the Mexican nation.

In order to show as clearly as possible the motives prompting the request made in the present note, it is necessary, before all, to examine carefully the events which have occurred up to the present moment.

2. As a result of the raiding of Columbus, New Mexico, by a band headed by Francisco Villa, on the morning of the 9th of March, of the present year, the Mexican Government, sincerely lamenting the occurrence, and with a view to effectively protect the boundary, expressed the desire that the Governments of the United States and Mexico should reach an agreement providing for the pursuit of the raiders. The Mexican Government made this proposition, guided by the precedent established under similar conditions prevailing in the years 1880 to 1884, and made a concrete request that permission be given Mexican troops to pursue raiders into American territory,

under the same reciprocal conditions governing the passage of American troops to Mexican soil, in case such raids as that on Columbus should be repeated at any other point along the border.

As a result of this proposition, made in the Mexican note of March 10th, the Government of the United States, either in error or precipitately, formed the opinion that the friendly attitude shown by the Mexican Government was sufficient to consider itself authorized to cross the frontier, and effectively, without awaiting a formal agreement in the matter, ordered a large body of American troops to enter Mexican territory in pursuit of Villa and his band.

3. The American Government, on this occasion, gave emphatic assurances to that of Mexico of its good faith, stating that the only object in crossing the boundary was to pursue and capture or destroy the band of Villa which had raided Columbus; that this act was not to be taken as signifying an invasion of our territory, nor an intention to violate the sovereignty of Mexico; and that as soon as the object of the expedition had been practically accomplished, the American troops would be withdrawn from Mexican territory.

4. The Mexican Government was not informed that American troops had crossed the frontier until the 17th of March, when the fact was brought unofficially to its attention, through private sources from El Paso, that some American troops were already on Mexican territory. This Government then sent a note to that of the United States stating that inasmuch as the terms and conditions of the agreement to be formally made between the two countries for the passage of troops had not been decided upon, the American Government could not consider itself authorized to carry out the expedition.

The Washington Government explained the sending of the troops into Mexico by stating that it regretted that there should have existed a misinterpretation of the attitude of the Mexican Government in the matter of the passage of troops from the frontier of the United States in pursuit of Villa, but that this had been done under the impression that the previous exchange of messages implied the full consent of Mexican Government, without further formalities.

The Government of the United States further explained its attitude by the necessity of rapid action, and added that it would gladly receive any indications which the Government of Mexico might wish to make in regard to the terms of a definite arrangement covering the operation of the troops in one or the other countries.

5. Both Governments then lent themselves to a discussion of the terms of an arrangement, according to which the reciprocal passage of troops should be settled. Two proposals of the Mexican Government and two counterproposals of that of the United States were submitted.

In the discussion of this agreement the Mexican Government constantly insisted that the passage of troops should be limited, as to the zone of operations on foreign soil, to the time that said troops should remain thereon, to the number of soldiers which should constitute the expedition, and to the class of arms to compose said expedition. The Government of the United States refused to accept these limitations, and, finally, when it did accept the last counter proposal, it stated that in consenting to sign the agreement,

it was on condition that said agreement should not apply to the Columbus expedition.

6. This attitude of the American Government was the cause of the Mexican Government sending its note of the 12th of April, in which, leaving aside all discussion of the agreement, once that it was not to cover the Columbus case, it asked the American Government to withdraw its troops, inasmuch as their presence on Mexican soil was not founded on any agreement, and as there was no further object in their remaining, once that the Villa bandits had been scattered and destroyed.

7. Though the American Government gave no answer to the said note of the 12th of April, nor did it take steps to withdraw its troops, it deemed it opportune that representatives of the armies of both countries should meet at some point on the frontier to treat of the military aspect of the situation, and to see if it were possible, in this way, to reach a satisfactory solution, which, on the part of Mexico, consisted in the withdrawal of American troops from its territory.

With this end in view, a conference was arranged at Ciudad Juarez and El Paso between Generals Hugh L. Scott and Frederick Funston, representing the American Government, and the Secretary of War and Marine of Mexico, General Alvaro Obregon. A series of sessions was held and was marked by a spirit of frank cordiality. During these conferences the military situation and all data and explanations relating thereto were fully discussed.

As a result thereof there was submitted for the approval of the Governments of Washington and Mexico a project of a memorandum, in which General Scott declared that the destruction and dispersion of the Villa band had been accomplished, and that in consequence thereof the American Government had decided to begin the withdrawal of its troops, under the promise of the Mexican Government to guard the frontier in such a manner as to prevent a recurrence of raids similar to that on Columbus.

8. The Mexican Government refused to give its approval of this class of agreement, as it provided, furthermore, that the American Government might suspend the withdrawal of troops if any further incident might happen which would lead it to believe that Mexico was not able to protect the frontier as agreed upon.

The Mexican Government could not accept this conditional clause, as the evacuation of its territory is a matter which pertains entirely to the sovereignty of the country and is conditional, in no case, on the criterion of the American Government. On the other hand, it was very possible that some incident might occur which would give an aspect of legality to the indefinite stay of American troops on Mexican soil.

9. This point was still being discussed by Generals Scott, Funston, and Obregon when, on the 6th of the present month of May, a party of bandits attacked an American garrison at Glen Springs, on the American side, crossing immediately thereafter the Rio Bravo and interning themselves by way of Boquillas, in Mexican territory.

10. In view of this and fearing that the American Government might hasten the sending of more troops into Mexico in pursuit of the bandits, the Mexican Government gave instructions to General

Obregon to notify that of the United States that it would not permit the further passage of American troops into Mexico on this account, and that orders had been given to all the military commanders along the frontier not to consent to same.

11. On learning the attitude of the Mexican Government, Generals Scott and Funston assured General Obregon that no orders had been issued to American troops to cross the frontier on account of the Boquillas raid, and that, furthermore, no more American troops would cross into our territory.

This statement was made personally by Generals Scott and Funston to General Obregon at the time of the suspension of the conferences and was reiterated by General Scott himself, thereafter, in a private conversation with Licenciado Juan Neftali Amador, Subsecretary of Foreign Relations, who had taken part in the said conferences between the military representatives of the United States and Mexico.

12. As a result of the Glen Springs or Boquillas incident, and to prevent groups of bandits from organizing and arming near the frontier and repeating their raids, and in order to bring about an effective military cooperation between the American and the Mexican forces, this Government suggested, through its representative, General Obregon, to the representatives of the United States, Generals Scott and Funston, the advisability of settling upon a military plan providing for the distribution of troops along the frontier in order to insure an effective vigilance of the entire region, and in this way prevent, as far as possible, a recurrence of the raids. The Mexican Government in this way demonstrated not alone its good faith and intentions, but also its real desire to cooperate effectively with the Government of the United States, and to avoid new causes of friction between the two Governments.

This reciprocal plan for the distribution of American and Mexican forces, in their respective territories along the frontier, was proposed in order to avert any immediate new cause of difficulty, the right being reserved, always, to reach a subsequent agreement for the reciprocal passage of troops as long as the abnormal conditions existed in our territory.

13. The conferences between Generals Scott, Funston and Obregon were suspended on the 11th of May without an arrangement having been reached for the unconditional withdrawal of American troops. General Scott insisted on the preparation of a memorandum for the conditional withdrawal of American troops, but did not take into consideration the plan proposed by the Mexican Government for the protection of the frontier by a distribution of troops along the same.

Under these conditions the work of concluding the negotiations initiated at Ciudad Juarez and El Paso reverted to the Governments of Washington and Mexico. Up to this moment no complication had arisen in regard to the new incident at Boquillas, and all the assurances given by Generals Scott and Funston led one to suppose that the incident would not cause new difficulties.

14. The Mexican Government, nevertheless, has just been advised that some 400 men of the 8th Regiment of the American Army are on Mexican soil, having crossed the line near Boquillas about

the 10th or the 11th instant. They are at present near a place called El Pino, some 60 miles to the south of the frontier. This fact reached the knowledge of the Mexican authorities through the commander of the American forces which crossed the frontier, he having sent the Mexican military commander a communication from Esmeralda, in Sierra Mojada, stating that he had crossed the frontier in pursuit of the bandits who had attacked Glen Springs, in virtue of an agreement existing between the American and the Mexican Governments providing for the passage of troops and also with the consent of a Mexican consular officer at Del Rio, Tex., whom he stated he had informed of the passage of the troops of his command.

15. The Mexican Government can not suppose that the American Government has, for the second time, committed an error in ordering the passage of its troops into Mexico without the consent of this Government. It is difficult to understand how an officer of the American Army could enter Mexican territory without the due authorization of his superior officers, or that he should think for a moment that permission for the passage of his troops could be obtained from a consular officer.

The explanation given by the American Government for the sending of troops from Columbus has never been satisfactory to the Mexican Government, but the new invasion of our territory is not now an isolated fact, and leads the Mexican Government to believe that it has to treat with something more than a simple error.

16. This last act of the American forces creates new complications with the Mexican Government, renders more distant the possibility of a satisfactory solution, and creates a more complicated situation between the two countries.

The Mexican Government can not but consider this last act an invasion of our territory by American forces contrary to the expressed wish of the Mexican Government, and it is its duty to request, and it does request, of the American Government, that it order the immediate withdrawal of these new forces, and that it abstain from sending any further expedition of a similar nature.

17. The Mexican Government understands the obligation incumbent upon it to guard the frontier, but this obligation is not exclusively Mexican, and it hopes that the American Government, on which falls a similar obligation, will appreciate the material difficulties to be met with in so doing, inasmuch as it appears that the American forces themselves, notwithstanding their numbers and the further fact that their attention is not divided by other military operations, find themselves physically unable to protect effectively the frontier on the American side.

The Mexican Government has made every effort on its part to protect the frontier without, on the other hand, abandoning the work of pacifying the rest of the country, and the American Government should understand that if from time to time these lamentable incursions into American territory are perpetrated by bandit groups, this fact is rather a matter of pecuniary reparation and a reason to provide for a combined defense, but never the cause for the American forces to invade Mexican soil.

The raid of the bandit groups into American territory is a lamentable affair to be true, but one for which the Mexican Gov-

ernment, which is doing all possible to avoid a recurrence of such acts, can not be held responsible. The passage of American regular troops into Mexican territory against the expressed wish to the Government does, indeed, constitute an act for which the American Government is responsible.

18. The Mexican Government believes, therefore, that the time has come to insist that the American Government withdraw the new expedition from Boquillas and that it abstain in the future from sending further troops across the border. At all events, the Mexican Government, having expressed clearly its nonconformity with the crossing of additional troops into Mexico, is forced to consider this as an act of invasion of its territory and, in consequence, will be obliged to defend itself against any body of American troops on its soil.

19. In regard to the troops which are now in the State of Chihuahua and which crossed as a result of the Columbus affair, the Mexican Government is forced to insist upon their withdrawal.

The Mexican Government is aware that in case of a refusal to retire these troops, there is no further recourse than to defend its territory by appeal to arms, yet at the same time it understands its duty to avoid, as far as possible, an armed conflict between both countries, and relying on Article 21 of the Treaty of February 2, 1848, it considers it its duty to resort to every pacific method to solve the international conflict pending between the two countries.

20. The Mexican Government considers it necessary to take advantage of this opportunity to request of the American Government a more categorical definition of its true intentions toward Mexico. In this respect it hopes that, in expressing itself with entire frankness, its words be not so interpreted as intending to wound the susceptibilities of the American Government, but it finds itself in the necessity of laying aside diplomatic euphemisms and expressing itself with all possible clearness. If in stating the grievances which follow the Mexican Government uses the utmost frankness, it is because it considers it its duty to bring the point of view of the Mexican people as clearly as possible to the attention of the Government and the people of the United States.

21. The American Government for some time past has been making assurance of friendship to the Latin-American people, and has taken advantage of every opportunity to convince them that it wishes to respect their sovereignty absolutely.

Especially with respect to Mexico the American Government has declared on various occasions that it was not its intention to intervene in any manner in its interior affairs and that it desires to leave it to our country to work out alone its difficult and varied problems of political and social transformation.

Only recently, on the occasion of sending the expedition from Columbus, the American Government, through the President, declared that it would not intervene in the domestic affairs of Mexico, nor invade the country; that it did not desire an inch of its territory, and that under no circumstances would any attempt be made on its sovereignty.

The Government at Washington and its representatives at the frontier have further expressly stated that it is not the wish of the

American people to enter into a war or an armed conflict with the Mexican people.

In summing up the matter, and judging by the official statements which have for some time past been made by the Government at Washington, one would think that there was a real desire on the part of the Government and the people not to enter into conflict with Mexico.

22. The Mexican Government has, nevertheless, to confess that the acts of the American military authorities are in direct contradiction to the statements above referred to, and finds itself forced, therefore, to appeal to the President, the Department of State, the Senate and the American people, for a definition, once for all, of the true political intentions of the United States as regards Mexico.

23. It is equally imperative that the Government of the United States define, in a precise manner, its intentions as to Mexico, in order that the other Latin-American nations might judge of their sincerity, and that they might appreciate the true value of the assurances of friendship and fraternity made to them for many years past.

24. The American Government stated, through the President himself, that the punitive expedition from Columbus would be withdrawn from Mexican territory as soon as the Villa band had been destroyed or dispersed. More than two months have passed since the expedition entered Mexican territory. Generals Scott and Funston declared in Ciudad Juarez that the bands of Villa are completely dispersed, and yet American troops are not as yet withdrawn from Mexico.

The Government of the United States is convinced and is cognizant of the fact that there is no further work of a military nature to be performed by the expedition from Columbus, and nevertheless it has not yet complied with the promise made by President Wilson that these troops would be withdrawn as soon as the motive for their entry into Mexico had been removed.

The motives for preserving interior political order which might militate against the withdrawal of the troops from Mexican territory, unfounded as they are, do not justify this attitude, but, on the contrary, accentuate the discrepancy between the assurances of respect for Mexico's sovereignty and the actual fact that for purely political reasons in the United States this state of affairs, so unjust towards the Mexican Republic, is allowed to continue.

25. The American Government stated that its intention in sending troops into Mexico was only to defend its frontier against possible incursions. This statement is, notwithstanding, in contradiction to the attitude assumed by the Government itself in discussing the agreement in regard to a reciprocal crossing of the boundary, for while the Mexican Government insisted that this agreement limit the zone of operations of the troops of each country, the duration of the expeditions, the number of soldiers and the class to which they should belong, the American Government constantly eluded these limitations. This attitude of the American Government, which was the one which expected to cross the boundaries at such times as might be necessary, in pursuit of the bandits, is clearly indicating its intention of preparing to penetrate further into Mexican territory than the purposes of defense would seem to warrant.

26. The punitive expedition from Columbus, as it has been called, did not have, according to statements of President Wilson, any further object than to capture and punish the band guilty of the raid, and was organized under the supposition that the Mexican Government had consented thereto. Nevertheless it has shown an attitude of manifest distrust toward the Mexican Government and a spirit of such absolute independence that it can not but justly be considered as an invasion without Mexico's consent, without its knowledge and without the cooperation of its authorities.

It was well known that the Columbus expedition crossed the frontier without the knowledge of the Mexican Government. The American military authorities carried out this expedition without waiting to obtain the consent of the Government of Mexico, and even after they were officially advised that this Government had not given its consent thereto, they continued to send forward more troops without informing the Mexican Government thereof.

The expedition has crossed into and operated in Mexican territory without seeking the cooperation of the Mexican authorities. The American military authorities have maintained always the most complete silence respecting their movements, never informing the Mexican Government of them, as they would have done had they in reality desired to obtain the cooperation of the latter. This failure to advise and cooperate with the Mexican authorities was the cause of the encounter which took place in Parral between the American forces and Mexican citizens.

Finally, the Columbus expedition was effected not in a spirit of harmony but, on the contrary, of distrust and suspicion of our authorities, for not only was no effort made to seek our cooperation or to keep us informed regarding the military operations being carried out, but the said expedition was organized with artillery and infantry forces.

If it was intended to pursue a band of robbers, an act which, by its very nature, required rapidity, such pursuit should have been carried out by a squad of cavalry. The employment of artillery and of infantry can not be explained in any other way than as a measure of precaution against a probable attack by the Mexican forces.

Now, then, it is not possible to reconcile the declarations of friendly cooperation made by the American authorities with the use of the infantry and artillery, exclusively destined for use against the regular Mexican forces.

If the Columbus expedition had been carried out with the consent of the Mexican Government and the cooperation of the latter had been sought, the employment of the artillery and of the infantry would have been an insult to the Mexican authorities as offering a suggestion of the possibility of treachery on their part against the American forces who had entered Mexican territory in the pursuit of a common enemy, relying on the friendship of the former. It is preferable, notwithstanding, to interpret this as a proof that the American forces crossed into Mexican territory without the consent of the Mexican Government and were, therefore, resolved to repel any aggression on the part of the regular Mexican troops, who were ignorant of their presence.

All of this demonstrates a great discrepancy between the assurances on the part of the American authorities of a sincere and friendly cooperation and the actual purpose of the expedition, which, through its distrust, the secrecy maintained regarding its movements, and the forces of which it was composed, clearly indicated the hostile nature of the expedition and an actual invasion of our territory.

27. The American Government has stated on various occasions that the Columbus expedition had no other object than that of pursuing and dispersing Villa's bands, and that so soon as this was accomplished its forces would retire.

The facts, however, have demonstrated that the intention of the American Government was no longer the same as during the conferences at Ciudad Juarez and El Paso. There is no other way of explaining why General Scott should have insisted so emphatically on the signing of a memorandum which stated that the American forces would not have been withdrawn if any other occurrence took place which might convince the American Government of the inability of the Government of Mexico to protect the frontier. The conclusion to be deduced from this insistence of General Scott, on the signing of this memorandum, is that the Columbus expedition entered Mexico promising to withdraw as soon as the bands of Villa had been destroyed, but that afterwards efforts were made to make use of the said expedition as a means to guarantee the protection to the frontier.

28. The American Government justly desires the protection of its frontier. If the frontier were duly protected against incursions from Mexico there would be now no reason for the existing difficulties. The American Government understands perfectly the difficulties which exist in the protection of a boundary which possesses no natural advantages for its defense, and, notwithstanding its enormous resources, the American Government itself has been unable to afford an efficient protection along the more than 2,000 kilometers which it has to cover.

The Mexican Government proposed that the military chiefs at the head of the troops of each country should discuss a plan of distribution of troops along the boundary line, and notwithstanding the assurances of the Government of the United States that it desired to find a solution to the difficulties with Mexico, General Scott would not agree to carry out this plan, which is the only rational one and the only one which could be effected without the necessity of one or the other country invading the territory of the other. The American Government prefers to maintain its troops inactive and idle on Mexican territory rather than to withdraw them and station them along the border by arrangement with the Mexican authorities who would agree to do the same. By acting as it has the American Government leads us to suppose that its real intention is to keep these troops in Mexico in the event that it may need them there later for future operations.

29. The American Government on every occasion has declared itself as desirous of assisting the Constitutionalist Government in concluding its work of pacification, and of accomplishing this in the shortest possible time. The real attitude of the American Govern-

ment in connection with these desires appears incongruous, as, for some time past, it has been committing various acts which indicate that it not only does not lend its aid in the pacification of Mexico but that, on the contrary, it seems to place every possible obstacle in the way of attaining such an end. In reality, without considering the great volume of diplomatic representations which, under the pretext of protection of established American interests in Mexico, constantly impede the labor of the new Government in its efforts to reorganize the political, economic and social conditions of the country on new bases, a large number of other acts seem to show that the influence of the American Government is directed against the consolidation of the present Mexican Government.

The decided aid lent at one time to Villa by General Scott and the Department of State was itself the principal cause of the prolonged civil war in Mexico. Later the continuous aid extended by the American Catholic clergy to that of Mexico, which labored unceasingly against the Constitutionalist Government, and the constant activity of the American press favoring intervention and the interests of the business men of the United States, are still further indications that the present American Government can not or will not prevent the work of conspiracy which is being effected in the United States against the Constitutionalist Government.

30. The American Government incessantly demands from the Mexican Government an effective protection of its frontier, and yet the greater part of the bands which take the name of rebels against this Government are cared for and armed, if they are not also organized, on the American side under the tolerance of the authorities of the State of Texas, and, it may even be said, that of the Federal authorities of the United States. The leniency of the American authorities respecting these bands is such that in a majority of the cases the conspirators, who are well known, when they have been discovered and taken to prison, obtain their liberty by insignificant promises which allows them to continue in their efforts.

The Mexican emigrants who conspire and organize incursions from the United States side have now more facilities for doing harm than formerly, for they knew that any new difficulty between Mexico and the United States will prolong the stay of the American troops. They endeavor therefore to increase the possibilities of conflict and friction.

31. The American Government says it will aid the Constitutionalist Government in its labor of pacification and demands urgently that such pacification be effected in the quickest possible time, and that at the same time the protection of the frontiers shall be effected in the most efficacious manner. Yet notwithstanding this, it has on various occasions detained the shipments of arms and munitions purchased by the Mexican Government in the United States, destined to be employed in accelerating the work of pacification and in the more effective protection of the frontier. The pretexts for detaining the shipments of munitions consigned to this Government have always been futile, and a frank reason has never been given. It has been said, for example, that the munitions have been embargoed because of the fact that the true owner was not known, or

because of the fear that they might fall into the hands of the Villistas.

The embargo on stores consigned to the Mexican Government can be interpreted in no other way than that the American Government desired to be on its guard against the emergency of a possible future conflict and for that reason tries to prevent arms and stores from reaching the Mexican Government, as they may eventually be used against the Americans themselves. The American Government would be within its rights in guarding against such an emergency, but in such a case it should not claim that it is trying to cooperate with the Mexican Government, and it would be better to show a greater frankness in its procedure.

Either the American Government really and decidedly wishes to assist the Mexican Government in reestablishing peace, and in this event it should not impede the movement of arms, or else its real intention is to prepare itself so that in the event of future war with Mexico this country may find itself less provided with arms and provisions. If the latter is true it would be better to say so.

In any event the embargo on arms and supplies consigned to the Mexican authorities, effected under the weak pretext of preventing such arms and munitions from falling into the hands of the Villistas, is a clear indication that the real acts of the military authorities are completely out of accord with the proposals of peace on the part of the American Government.

The Mexican Government does not wish war with the United States, and if this should occur it will be as a consequence of the deliberate cause by the United States. To-day these measures of precaution by the American Government show that there is a desire to be prepared for such an emergency, or, what amounts to the same thing, they manifest an attitude of hostility on the part of the United States toward Mexico.

32. Finally, the American authorities in New York, at the suggestion of a neutral society of pacifists, have ordered the detention of certain pieces of machinery which the Mexican Government removed to Mexico for the manufacture of munitions, which machinery could not be utilized for several months after bringing it to this country. This act of the American Government which tends to prevent the manufacture of munitions at a remote future time, is another clear indication that its true attitude toward Mexico is not a peaceful one, for, while millions and millions of dollars worth of arms and ammunition are exported for the European war without these societies of pacifists of the United States being perturbed thereby, the authorities of New York show themselves too much disposed to support the demands of these humanitarian societies when they deal with the proposition of exporting to Mexico machinery for the manufacture of its arms and supplies.

Mexico has the unquestionable right, as does the United States and all other nations of the world, to provide for its military necessities, above all when it finds itself confronted by a task so vast as that of accomplishing the internal pacification of this country; and the act of the United States in embargoing machinery destined for the manufacture of munitions indicates either that the United

States wishes to place obstacles in the way of complete pacification or that this act is only one of a series effected by the authorities of the United States in providing against a possible war with Mexico.

33. All the circumstances hereinbefore mentioned indicate that the real objects of the military authorities of the United States are in absolute contradiction to the continued declarations of friendship on the part of the American Government toward Mexico.

34. The people and the Government of Mexico are absolutely sure that the American people do not desire war with Mexico. There are none the less great American and great Mexican interests anxious for a conflict between the two countries. The Mexican Government firmly desires to maintain peace with the American Government, but to this end it is indispensable that the American Government explain frankly its true attitude toward Mexico.

It is indispensable that this contradiction between the assurances of friendship on the part of Washington and the acts of suspicion and distrust and aggression on the part of the military authorities should disappear.

The people and Government of Mexico must know what to expect, and wish to be sure that the assurances so many times expressed by the Government of the United States correspond really to its sincere desire for friendship between the two countries, friendship that should exist not only in the statements but which should be crystallized into acts.

The Mexican Government invites the Government of the United States to bring about a cessation of this situation of uncertainty between the two countries and to support its declarations and assurances of friendship with real and effective acts which shall convince the Mexican people of the sincerity of its proposals. These acts at the moment can not be other than the immediate withdrawal of the American troops which are to-day on Mexican territory.

In complying with the instructions of the Citizen First Chief, I avail myself of this opportunity to offer your excellency the assurances of my most distinguished consideration.

C. AGUILAR

File No. 812.00/18219

Special Representative Rodgers to the Secretary of State

[Telegrams]

MEXICO CITY, May 22, 1916, 11 p. m.

82. Am convinced that basis for Government anxiety and alarm is matter reported by Silliman from Saltillo in his May 19, 4 p. m., relating to statement Governor Coahuila concerning probable attack on American troops in that State. Understand Cabinet here repudiates alleged orders mentioned by Governor and is doing all possible to stop Mexican forces. They fear can not reach them in time to avoid trouble.

RODGERS

File No. 812.00/18229

MEXICO CITY, *May 23, 1916, 10 p. m.*

87. Secretary of State for Foreign Affairs told me this morning that they had information American military force commanded by Major Langhorne in State Coahuila, this being contrary to promise General Scott that pursuit bandits guilty Glen Springs attack would be left to Mexican forces. Secretary said commander Mexican force proceeding to border near Boquillas had orders to attack American force unless it retired at once and that these orders had not been countermanded. Said Americans apparently were acting in bad faith. Said forces beyond communication and no news had been received.

Now certain this subject principal cause anxiety during the last few days. Think confidential orders not to attack American force have been sent. This matter undoubtedly reason for delay note which left last night by special messenger Manuel Mendes, chief [protocol?] who without detention should arrive Washington about twenty-ninth.

Nature note only would be described to me by Secretary as frank and positive.

RODGERS

File No. 812.00/18178

The Acting Secretary of State to Mr. Arredondo

DEPARTMENT OF STATE,
Washington, May 25, 1916.

SIR: Referring to your letter of April 20, 1916, in which you request to be furnished with certain information concerning the United States military forces operating in the State of Chihuahua, Mexico, the Department encloses herewith a copy of a letter, dated May 16, 1916, from the War Department, embodying a report from the commanding general of the Southern Department relative to the number of engagements that have taken place between American forces and Villa bandits.

I am [etc.]

For the Acting Secretary of State:

ALVEY A. ADEE

File No. 812.00/18258

General Funston to the Secretary of War

[Telegrams]

FORT SAM HOUSTON, *May 26, 1916.*

1494. Following just received from General Pershing repeated:

Namiquipa, Mexico, May 25, 1916. No. 209. Candelario Cervantes, notorious Villista outlaw, second only to Villa and principal leader in attack on Columbus killed this morning in a fight with detachment from Cruces six miles southeast that camp. Detachment of soldiers consisted of seven men machine gun company 17th Infantry, two Engineers and one man Quartermaster Corps. Out hunting cattle for beef and sketching road attacked by twenty men under Cervantes. Fight lasted forty-five minutes. Two Mexicans were killed, Candelario Cervantes and Jose Beneomo. Latter also prominent Villista leader. Cer-

vantes positively identified by papers found on person and by several natives Cruces and boy native prisoners. Cervantes without doubt the most desperate and dangerous outlaw in Mexico except Villa himself. Believe his death will expedite capture of others. Detachment cavalry started in immediate pursuit, struck band again Alamilla Canyon where it scattered to hills.

FUNSTON

File No. 812.00/18260

FORT SAM HOUSTON, *May 26, 1916.*

1495. Following just received from Pershing:

Press bulletin announces that General Gavira has stated that new distribution of troops necessitates exchange of plans, and that he intends to confer with me as to cooperation in rounding up outlaws. If General Gavira or other level-headed commander of his rank would actually take the field here and assume control over Carranza troops, believe much of the friction caused by detached commanders could be avoided. With any sort of sincere cooperation on their part Chihuahua could easily be rid outlaw bands and any question of whether Villa is alive or dead soon be settled.

I have advised General Pershing as follows:

In connection with your suggestion as to General Gavira cooperating with you, you are authorized to confer with him so long as you are able to do this without leaving limits of your command. No agreement should be entered into with him which looks to the further withdrawal of your troops at this time or that causes any material change in your present disposition or plans.

FUNSTON

File No 812.00/18277

FORT SAM HOUSTON, *May 29, 1916.*

1515. Following received from General Pershing:

Neutral natives Namiquipa at my suggestion organized few days ago small detachment for protection peaceful inhabitants. This detachment working in conjunction with our troops, furnishing guides and information. Location cache Villista arms pointed out by Columbus, N. M., prisoner, arms found by local guard brought in yesterday. Cache consisted four hundred small arms various makes and ten Colt's machine guns. Organization local guards and their reliance upon us illustrates attitude peaceably inclined people would assume in case of occupation. With protection assured until suppression banditry peaceably inclined citizens would assist us materially. Payment for supplies would distribute much needed money to pauperized natives. Little doubt majority realize impossibility of stable government under present *de facto* personnel or any other of the contending factions. Many very solicitous that we remain here indefinitely and fearful consequences at the hands of both of bandits and Carranza forces after our departure.

FUNSTON

File No. 812.00/18278

FORT SAM HOUSTON, *May 29, 1916.*

1518. Following received from Pershing:

Two troops 7th Cavalry under Kendrick reconnoitering yesterday toward Guerrero camped at Frigole Canyon nine miles north. Civilian scouts sent into Guerrero report much excitement among Carranza troops. They met General Cavasos who used most abusive language towards them. Cavasos then ordered his men to fire on any American soldiers seen. Additional troops 7th Cavalry ordered support Kendrick and all directed to withdraw to Providencia. Carranza soldiers reported at San Diego del Monte about twenty miles southeast of Bachineva. Said to be moving to occupy Bachineva. No report of movement east except from press bulletins. Shall advise Carranza commander Bachineva that any further advance from Bachineva toward Namiquipa will be regarded as hostile and will be resisted. There

is an evident movement to scare us back. Am rearranging troops along line to meet changing conditions.

Upon receipt of this following instructions were sent to General Pershing.

You are instructed to act conservatively. If a breach does occur the responsibility must be beyond question on the Carranza troops. Do not take too seriously the approach of small parties. A delay of three or four days will place us in better position at certain points along border.

This morning I advised him to withdraw his advance troops to the vicinity of El Valle.

FUNSTON

File No. 812.00/18450

The Acting Secretary of State to Special Representative Rodgers
[Telegram]

DEPARTMENT OF STATE,
Washington, May 31, 1916, 8 p. m.

111. Long note just delivered by Mexican Agent. Tone aggressive and recriminatory. Will not be given out here at present. Secure copy if possible for your own information and report whether in your opinion expresses attitude of Government. Tone and style bound to create irritation here.

POLK

File No. 812.00/18293

Special Representative Rodgers to the Secretary of State
[Telegram]

MEXICO CITY, June 1, 1916, 5 p. m.

102. In reply to Department's 111. Note which am informed officially represents attitude General Carranza and Cabinet, radically different in tone and style from general tenor as outlined previously to me by Secretary of State for Foreign Affairs. Foreign Office today asserted to me that note represented exact sentiment and determination of Mexican authorities.

Note published here last evening. Conservative foreign opinion that it is aggressive, is inaccurate, indecorous and inopportune. Radical opinion that it is inexact, improper and impudent. Generally considered as further extending difficulties which are perplexing and dangerous enough without adding international complications. However *de facto* Government authorities appear well satisfied with note.

RODGERS

File No. 812.00/18317

Consul Edwards to the Secretary of State
[Telegram]

EL PASO, June 4, 1916, 7 p. m.

This Consul was granted an audience with General Gavira after his return from conference with General Pershing at Colona Dublan

on June second. He, Gavira, reports said interview with General Pershing very satisfactory and arrangements made for movements and location of troops of both Governments would, in his opinion, eliminate all danger of conflict. General Gavira seemed to be aware of an element in the United State which was making an effort to provoke a war and that such element was not wholly made of civilians, but Gavira was pleased to state that he believed that Pershing does not belong to the class mentioned. Gavira is very hopeful of continued friendly relations with the United States.

EDWARDS

File No. 812.00/18315

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 5, 1916, 4 p. m.

117. Department informed de la Rosa, well-known leader of border raids, recruiting in Monterey; that recruits are being concentrated near San Ignacio, sixty miles below Laredo; and that they openly assert they are going to rob and burn border towns in Texas, and massacre Americans.

Bring to attention appropriate authorities, and request them to take steps to curb de la Rosa and the recruits mentioned.

LANSING

File No. 812.00/18324

Special Representative Rodgers to the Secretary of State

[Telegrams]

MEXICO CITY, June 6, 1916, 3 p. m.

117. In reply to Department's 117 June 5, 4 p. m. Urgent representations made this morning and immediate attention promised.

RODGERS

File No. 812.00/18332

MEXICO CITY, June 6, 1916, 7 p. m.

125. With due appreciation necessity propriety conservative statement would say general résumé condition Mexico to-day is as follows: Financial chaos threatened and impending, graft principally through army rampant, executive inefficiency pronounced, beneficial coordination departments lacking, foreign treaty rights through ignorance or design being disregarded, State Governments usurping Federal authority, aggression against property and vested privileges prevalent, public confidence almost disappearing, food supply insufficient and precarious, bandits operating boldly and successfully and political antagonism to general Government gaining strength.

Every allegation this can be proven by many evidences and instances. Indefinite prolongation general condition the présent seems impossible.

RODGERS

File No. 812.00/18364

General Funston to the Secretary of War

[Telegram]

FORT SAM HOUSTON, June 7, 1916.

1557. I wish again to call attention of War Department to attitude of the Mexican *de facto* Government authorities toward activities of Luis de la Rosa and Aniceto Pisano.

The files of State and War Departments and Department of Justice are loaded with information about these notorious men who are the leading spirits of the so-called Plan of San Diego²⁰ and who were responsible for the bloody raids into Texas last fall with all the loss of life and property involved.

I reported repeatedly that the Carranza commander of the district of Matamoros, General Nafarrate, was assisting these raids in every way in his power and that his officers and men were participating in them. On two occasions Carranza troops in uniform to the number of several hundred covered the retreat of raiders to south side of river and in doing so fought our troops for hours.

These facts were reported. I have been informed by persons claiming to be familiar with the circumstances that Carranza personally had knowledge of what was being done and approved of it. Upon being recognized as head of *de facto* Government he desired these raids stopped and knowing he could get no support to that end from Nafarrate relieved him from command on immediate border. Pisano and de la Rosa left the border at this time, the Governor of Texas having offered a reward of one thousand dollars for each of them dead or alive, and went to Nafarrate's new district, the one immediately south of that of Matamoros where they continued their anti-American agitation.

De la Rosa was an almost constant personal companion of Nafarrate, I having talked with as many as a dozen Americans who know both men and who have seen them together on numerous occasions in the past six months. Both Pisano and de la Rosa traveled openly on the trains and were seen frequently on streets of Tampico, Victoria and Monterey in company of officers of *de facto* Government troops, among whom they were very popular as the well known heads of Plan of San Diego and as principals in recent Texas raids.

Pisano ventured back into Matamoros district and was taken prisoner by new commander thereof, General Ricaut, who after a few weeks was directed to bring him to Querétaro where Carranza ordered his release, although last fall he and Governor Luis Caballero of Tamaulipas had personally assured Governor Ferguson of Texas that if they could apprehend either of the two they would either order them shot immediately or remand them to Governor of Texas to answer charges of murder against them.

Both men as above stated have been active recently recruiting for new raids and have done so absolutely openly.

The above facts are notorious and are familiar to practically all informed persons on the lower border and in Tamaulipas. They show conclusively and in most glaring manner either the bad faith

²⁰ See report of Vice Consul Rebertson, June 9, 1916, p. 570.

of Carranza or his unwillingness to oppose one of his subordinate generals, Nafarrate.

Special agent Rodgers of Department of Justice and Vice Consul Randolph Robertson of Monterey, the latter now in Washington, can give many facts in case from personal knowledge.

The necessary force having been recruited, organized and armed are now approaching our border about four hundred strong but we cannot tell where in a distance of a hundred and fifty miles they may attempt to cross river.

It may be that our movements of troops showing that we have foreknowledge will cause postponement of raid but menace will still exist.

I feel I should state frankly that a resumption of these raids marked with all the savage cruelties and barbarities of the lower border raids of last fall will rouse the people of that region to fury and cause them to cross the river in large numbers regardless of wishes of the Government and take drastic action. They came perilously near doing it last fall.

I have contented myself with stating facts and do not believe it to be in my province to suggest remedy further than to say that Carranza personally is to blame for the whole situation for reasons above stated.

FUNSTON

File No. 812.00/18336

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, June 7, 1916, 5 p. m.

Have positive information that Luis de la Rosa not only recruited his men under sanction of the *de facto* Government but was furnished with a special car on which to leave Monterey; also that the Austrian consul at Monterey, Robert Bremer, openly advocated the anti-American demonstration in Monterey and posted large notices in his windows inviting all good Mexicans to join in demonstrations.

GARRETT

File No. 812.00/18336

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,

Washington, June 8, 1916, 4 p. m.

Consul Garrett telegraphed yesterday: [Here follows telegram from Consul Garrett of June 7, 1916, 5 p. m.]

Investigate foregoing and report. Department fears activity of de la Rosa may develop into border raids unless he and his followers are curbed.

LANSING

File No. 812.00/20185

Vice Consul Robertson to the Secretary of State

[Extract]

DEPARTMENT OF STATE,
Washington, June 9, 1916.

SIR: I have the honor to submit the following report on the Plan of San Diego and other conditions in the Monterey, Mexico, section.

PLAN OF SAN DIEGO

On or about January 8, 1915, several Mexicans of the Huerta or Federal faction, who were military prisoners charged with political offenses, while confined at Monterey, signed what they called the Plan of San Diego. This plan was a scheme for the promulgation of a revolution in the States of Texas, Oklahoma, New Mexico, Arizona, Colorado, Nevada and California with the object of establishing an independent republic and was to have been participated in by the Mexicans, Negroes and Indians. After the success of the movement, the new republic was to either remain independent or become a part of Mexico. After securing the establishment of this republic, the originators and followers of the movement were to assist the negroes to take six more of the States belonging to the American Union and from these form a negro republic. Among the leaders of this movement were Basilio Ramos Jr., a native of Nuevo Laredo, Mexico, and Augustin Garza. Ramos was the secretary of the organization and Garza was to have been the commander in chief of the revolutionary army. This movement was just started when Basilio Ramos Jr. was arrested at McAllen, Texas, by the Immigration authorities, about the middle of January 1915 and taken to Brownsville, Texas, where at an examining trial before the U. S. Commissioner he was bound over to await the action of the Federal grand jury. At the May 1915 term of the U. S. District Court for the Southern District of Texas at Brownsville, Ramos was indicted but when the case was called for trial, the court dismissed the case and discharged the defendant. Among other papers found on Ramos at the time of his apprehension at McAllen, Texas, was a letter from Augustin Garza in which allusion was made to General Nafarrate, the then Carranza commander at Tampico. At the time of Ramos' apprehension and indictment he was an exile from Mexico but some months later amnesty was granted him and he was banqueted and fêted by Carranza officials at Nuevo Laredo, Monterey and Tampico and proclaimed a great hero. For months he has been actively engaged in furthering this Plan of San Diego.

In the summer of 1915, another movement along the lines of the Plan of San Diego was started by Luis de la Rosa and Aniceto Pizano, former residents of Cameron County, Texas, where the former had been a deputy sheriff at Rio Hondo, a farming community near San Benito, and the latter related to a number of the leading Mexican residents of southwest Texas. Newspapers printed at Matamoros, Monterey, Tampico and other places in northern Mexico, on the same day, all printed the manifesto of this new movement and the press of northern Mexico continued thereafter for days to give glowing accounts of the victories won by the Texas revolution-

ists, the capture of towns, looting of banks, killing of American soldiers, hasty retreat of those of the inhabitants of Texas who had not been killed, the abandonment of Washington by President Wilson and the American Senate, et cetera. The circulation of these publications was held up by Federal authorities at Laredo. Anyone at all familiar with the way newspapers are published in Mexico is aware of the fact that no paper can keep on day after day printing articles of the nature of these articles without the consent and approval of the authorities, hence the deduction that the publication met with the approval of the Carranza authorities. Another fact also too well known for contravention is that no one carries arms in Mexico without the knowledge and consent of the authorities and therefore it is generally believed in Mexico and in Texas that de la Rosa and his men were armed, either by or with the consent of General Nafarrate who at that time was in command of the Carranza forces at Matamoros and was a close personal friend of both Luis de la Rosa and Pizano. The hat bands worn by these raiders, I have reason to believe were printed in a shop in Monterey, Mexico, operated by a German. In one of the raids made into Texas, a son of Pizano was so badly wounded that it became necessary to amputate one of his legs. At that time, it was a well known fact that Pizano was living in a two story house on the main plaza in Matamoros. Shortly before the Norias, Texas, raid, a Mexican endeavored to make arrangements with Dr. Look, a Canadian physician, residing at Montemorelos, Nuevo Leon, Mexico, to have the Doctor make a trip to some unnamed point about a hundred miles from Montemorelos and near the Texas border. About six weeks ago, other Mexicans called on Dr. Look and were very anxious to be sure that he was a British subject and not an American citizen. After the Doctor had satisfied them of his allegiance to the British crown, these men made him a proposition along the same lines as those of his earlier visitor. The Doctor became suspicious of this second visit and came to Monterey to see me, when at dinner at one of the hotels he told me of these two experiences and informed me that his opinion was that his services were wanted for the purpose of establishing a base hospital preparatory to another raid into Texas. Luis de la Rosa has made several trips during the past few months into the Montemorelos section and at Tula, a place off of the railroad, he is reported to have enlisted a number of recruits.

The followers of the original Plan of San Diego and Luis de la Rosa and his adherents have formed a revised Plan of San Diego of which de la Rosa is the president and Ramos is secretary. They have organized a number of juntas or lodges in Texas and Mexico. To enlist the negroes in this movement, these people sent a negro doctor, a resident of Victoria, Tamaulipas, who is a fugitive from justice in the States, through Texas and Oklahoma, but my information is that this man met with no success among his colored brethren. Among the numerous officers of the Carranza Army who are in accord and working for the furtherance of the Plan of San Diego is Colonel Maurilio Rodriguez of the Osuna Brigade. This man is the party with whom I am informed Mr. Pablo Burchard, the German Consul at Monterey has been in conference at Monterey, one of these conferences having been held at the Hotel Aurora which is just cross the street from the capitol of Nuevo Leon. Among other re-

ports concerning the activities of Colonel Rodriguez are two which are very significant, one is that soon after the recognition of the *de facto* Government, the First Chief sent for Rodriguez, gave him \$50,000.00 and told him that he wanted him to cease his activities, as the object of the raids had been accomplished when the United States recognized his Government. Later, it is reported, Rodriguez was apprehended in Mexico City at the request either of the United States or the State of Texas but was very promptly released on the demand of General Pablo Gonzalez, whose sympathy and cooperation with de la Rosa, Rodriguez and others is said to have induced him to recently supply them with 10,000 rifles and an ample supply of ammunition, the deliveries of these having been made at both Monterey and Tampico. When General Obregon passed through Saltillo en route for the recent conference at the border with Generals Scott and Funston he is alleged to have had a conference with de la Rosa who came up from Tampico for this conference. According to information obtained from parties who say they have seen some of the commissions issued by the promoters of the Plan of San Diego, these commissions are signed by a German in addition to the signatures of de la Rosa and other officials.

In February 1916, a new and enlarged manifesto was issued by de la Rosa, Ramos and others. A copy of this was loaned me and while the names of the parties signing it were fictitious, my informant told me that the officers of this new organization were de la Rosa, Pizano, Ramos, Garza, Rodriguez, Joaquin Sada and others whose names I do not now recall.

Shortly after a conference at Nuevo Laredo, Mexico, between Governor James E. Ferguson of Texas and Don Venustiano Carranza, Aniceto Pizano was apprehended and detained at Matamoros but notwithstanding the promise made to Governor Ferguson by the First Chief, Pizano was never delivered to the Texas authorities.

From a Mexican citizen, whose father was an American, I learned some weeks since that a Colonel Briseno of the Carranza Army had been selected as the man to take charge of activities for de la Rosa in Zapata County, Texas. I conveyed this information in a personal letter to one of my Army friends at Laredo, Texas, and when I was in Laredo recently was told that this man Briseno was at Guerrero, Tamps. with 200 men. He made overtures to return to Texas and said he was no longer in the Carranza Army but my information is that he was told to stay where he was as the Texas authorities preferred that he remain in Mexico.

I have [etc.]

RANDOLPH ROBERTSON

File No. 812.00/13355

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 10, 1916, 1 p. m.

129. Department informed anarchy prevails in Chihuahua City. American Consulate violated and shield dragged through streets. In vicinity Nuevo Laredo anarchy holds sway, American ranches there robbed in last few days by de la Rosa's bands who sweep all

stock before them, and who openly boast that they are preparing to invade Texas. Information has also been received that border raids are being planned in other places. Bring foregoing to attention of appropriate authorities and request them to take steps to put down lawlessness in Chihuahua City; also to curb de la Rosa and his band. Point out to them that any further invasion of American territory by de la Rosa's lawless band would constitute a serious menace to the peaceable relations between this country and Mexico.

Department reliably informed de la Rosa being aided and abetted by Carranza officials, and you will call General Carranza's attention to this fact, and urge him to issue instructions which will result in the discontinuance of such aid and the arrest of de la Rosa.

LANSING

File No. 812.00/18380

Special Agent Silliman to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Saltillo, June 10, 1916, 6 p. m.

At his request I saw Governor this afternoon. He told me that he had been in telegraphic communication with General Ricaut today regarding active pursuit of Rosa who has been committing depredations near Columbia, Tamaulipas. Governor stated that he had urgently telegraphed military commander at Piedras Negras to cooperate, using Coahuila troops. General Ricaut's telegrams were confidentially shown me. Understand he and our commander at Laredo are cooperating in an effort to capture this bandit.

The Mexican General's spirit appears very different from the local spirit which I have had to bring to the Department's attention recently.

SILLIMAN

File No. 812.00/18379

Consul Garrett to the Secretary of State

[Telegrams]

LAREDO, June 11, 1916, 3 p. m.

Mexicans raided Texas forty five miles above Laredo last night and took eighty horses from a Texas ranch. General Ozuna has been sent to Lampazos with his full command, styled a brigade. The bandits who raided Texas are a part of the de la Rosa outfit.

GARRETT

File No. 812.00/18394

LAREDO, June 12, 1916, 10 a. m.

A small party of armed Mexicans invaded Texas last night with a red flag and a can of kerosene oil and attempted to burn bridges. They are being chased by American soldiers. More recruits are being added daily to troops in vicinity of La Jarita and are being dis-

tributed above and below Laredo. Mexican officers openly assert intention to invade Texas.

It seems to be the plan to make Laredo the storm centre.

GARRETT

File No. 812.00/18279

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 12, 1916, 5 p. m.

131. See Department's 129. Bandits under de la Rosa invaded Texas forty-five miles above Laredo Saturday night. Immediately inform appropriate authorities.

LANSING

File No. 812.00/18410

Special Agent Silliman to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Saltillo, June 12, 1916, 6 p. m.

The Governor has just called me for conference with General Ricaut who has arrived here. The General informed me as follows:

Troops sent in pursuit of Rosa and band overtook them. The entire band was captured excepting Rosa who escaped and boarded a freight train which was *en route* to Monterey. Upon arrival at that city he was arrested. Commander of the city was instructed to present him for identification to Consul General Hanna this morning. He is said to be a citizen of the United States. The rest of the band were delivered to the Constitutionalist commander at Lampasos. General Ricaut says they were in very sorry condition, poorly armed and some of them afoot, number about forty.

SILLIMAN

File No. 812.00/18392

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, June 12, 1916.

Three of Mexican band who crossed Rio Grande killed, six captured, horses recovered and two Americans captured by them escaped. Four Japanese in band, one of them captured.

GARRETT

File No. 812.00/18417

Special Representative Rodgers to the Secretary of State

[Telegram—Extract]

MEXICO CITY, June 13, 1916, noon.

142. In reply to Department's 131, June 12, 5 p. m. Brought matter attention authorities last night. This morning informed by Foreign Office information just received de la Rosa prisoner with Mexican authorities Matamoros.

In relation to de la Rosa had filed previously four urgent written representations and have discussed his actions at Foreign Office at least six times, result always being promises investigation and no announced result except general allegation nothing wrong.

RODGERS

File No. 812.00/18399

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 13, 1916, 3 p. m.

135. Leader of recent raid above Laredo, wearing Carranza uniform and insignia, has been killed. Papers on body showed him to be Lieutenant Colonel Villareal of Carranza Army. Body was also identified by one of the prisoners taken.

Immediately inform appropriate authorities.

LANSING

File No. 812.00/18430

Consul Garrett to the Secretary of State

[Telegram—Extract]

LAREDO, June 15, 1916, 9 a. m.

Much anti-American feeling in Nuevo Laredo. Stones have been thrown on United States consulate twice in the last few days and I am informed that there was plan to capture me yesterday but fortunately I was on American side and did not return last night.

GARRETT

File No. 812.00/18437

Consul Johnson to the Secretary of State

[Telegrams]

BROWNSVILLE, June 15, 1916.

About sixty bandits crossed the river about forty miles below Laredo at San Ygnacio and attacked a part of our troops, killing three and wounding seven, one of whom since died. Eight Mexicans were killed and don't know how many wounded. General Ricaut is afraid that if the Americans cross the river there will be serious trouble, for one thousand Mexican soldiers have been sent to the border to suppress the raiders and if the Americans cross river there will be a general engagement.

JOHNSON

File No. 812.00/18426

BROWNSVILLE, June 15, 1916.

Have had a talk with General Ricaut who returned yesterday; told me had arrested forty of de la Rosa's men and also de la Rosa who is now in Monterey in jail. He left his men well placed on the border and left instructions to arrest all parties who could not give good account of themselves.

JOHNSON

File No. 812.00/18424

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 15, 1916, 7 p. m.

141. Mexicans crossed Rio Grande thirty miles below Laredo at two o'clock this morning, attacked American guard, killed three, and wounded two. Feeling very tense among Texans.

Immediately inform appropriate authorities.

LANSING

File No. 812.00/18443

General Funston to the Secretary of War

[Telegram]

FORT SAM HOUSTON, June 15, 1916.

1616. Following just received from General Mann, Laredo:

Major Gray is in communication with Carrancista troops opposite San Ygnacio and was informed that they are after the bandits on the Mexican side and have killed four of them and have patrols up and down the river. Latest information is that attacking party consisted of about sixty men from Las Tortillas ranch about fifteen miles inland opposite San Ygnacio. Major Gray has been unable to pick up trail of retreating bandits. It is believed they have scattered and crossed river singly or in very small parties.

FUNSTON

File No. 812.00/18456

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, June 17, 1916, 10 a. m.

A passport was found in pocket of one of the raiders signed by Commander of Constitutionalist forces at San Luis Potosi which stated that bearer was Lieutenant Bernardo Gonzales of the Constitutionalist forces. Another of the raiders who was killed carried papers which identified him as Major Cruz who was promoted from Captain to Major by General Jacinto Trevino, August 17, 1915, for meritorious service. In an order found on his body signed by General Rodriguez he was instructed to pass himself as a Villista and seize horses, arms, equipment and supplies; he also had a railroad pass, dated May 16, 1916, signed by General Juan P. Manero of the Constitutionalist forces.

One of the captured raiders informed me that he belonged to the forces of Colonel Fierros who is a well known Carranza commander and visits other Carranza officers in Nuevo Laredo every day or two. His headquarters are at La Jarita.

GARRETT

File No. 812.00/18544

General Funston to the Secretary of War

[Telegram]

FORT SAM HOUSTON, June 17, 1916, 4 p. m.

1642. Following received from General Pershing:

The following telegram has just been received.

"Number 13. Chihuahua Headquarters June 16, 1916. General Pershing, Casa Grandes. I have orders from my Government to prevent, by the use of arms, new invasions of my country by American forces and also to prevent the American forces that are in this State from moving to the south, east or west of the places they now occupy. I communicate this to you for your knowledge for the reason that your forces will be attacked by the Mexican forces if these instructions are not heeded.

"Courteously,

"J. B. TREVINO,
"The General in Chief"

My reply just sent as follows:

"Field Headquarters American Expedition, Casas Grandes, Mexico, June 16, 1916. General J. B. Trevino, Chihuahua, Mexico. I am in receipt of your telegram advising me that your Government has directed you to prevent any movement to the east, south or west of the American forces now in Mexico, and that should such movement take place the American forces will be attacked by Mexican forces. In reply you are informed that my Government has placed no such restrictions upon the movements of the American forces. I shall therefore use my own judgment as to when and in what direction I shall move my forces in pursuit of bandits or in seeking information regarding bandits. If under these circumstances the Mexican forces attack any of my columns the responsibility for the consequences will lie with the Mexican Government.

"Respectfully yours,

"JOHN J. PERSHING,
"Commanding General American Forces"

Have notified advance column[s] of situation and given instructions in the premises. Shall continue reconnaissance necessary to keep in touch movement of Carranza forces.

FUNSTON

File No. 812.00/18469

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, June 17, 1916, 5 p. m.

Three American soldiers were killed and six wounded and eight Mexicans killed in battle at San Ygnacio on fifteenth instant. Another expedition is being organized, of which Colonel George Guiterrez will be commander and Major Pedro Vena second in command. It is planned to make it larger than the last invading party and it will probably cross or attempt to cross in same region.

GARRETT

File No. 812.00/18462

Consul Johnson to the Secretary of State

[Telegram]

BROWNSVILLE, [Undated. Received June 17, 1916.]

Our cavalry crossed the Rio Grande sixty strong and in less than an hour three hundred more will cross about fourteen miles above

Brownsville. By request of General Parker I am staying in Brownsville to-night. More later.

JOHNSON

File No. 812.00/18458

Consul Dawson to the Secretary of State

[Telegrams]

AMERICAN CONSULATE,
Tampico, June 17, 1916, midnight.

Repeating essential points in manifesto made public 6 p. m. to-night, General N. sent me to-night official notice that entrance into Mexico of any more American troops or sailors will be considered act of war by Mexican Government and hostilities will ensue at once. Also that although such entrance would be violation international law and would oblige his forces to wage war without quarter, he has dictated orders to fully protect Americans who do not take up arms.

Situation extremely tense and it is believed above notice is mere prelude to more aggressive action. Strongly rumored that authorities have received word that hostilities have already begun on border.

DAWSON

File No. 812.00/18478

AMERICAN CONSULATE,
Tampico, June 18, 1916, 10 p. m.

Official communication from General N. to Colonel River to-day prohibits landing of naval officers and men for any reason except to act as messenger carrying between naval commander and consulate and in this case only when messenger is accompanied to and from consulate by officer of Mexican forces, a condition which I oppose but which will probably be maintained by General N. Communication between consulate and ships is thus seriously hindered.

DAWSON

File No. 812.00/18531

Admiral Winslow to the Secretary of the Navy

[Telegram]

U. S. S. "SAN DIEGO," *June 19, 1916.*

Annapolis, Mazatlan reports:

Boat in shore for parleying with Mexicans; Ensign O. W. Kessing and Asst. Paymaster Andrew Mowat taken prisoners. Boat fired on, boatswain's mate second class I. M. Laughter gravely wounded. Crew returned fire and report killing or wounding about six Mexicans.

WINSLOW

File No. 812.00/18708

Vice Consul Brown to the Secretary of State

[Extract]

AMERICAN CONSULATE,
Mazatlan, June 19, 1916.

SIR: I have the honor to advise that on the 17th of this month a proclamation was issued by Governor Flores of the State of Sinaloa,

under orders from the central Carranza Government, stating that war would be declared on the United States of America. This proclamation was taken locally as an actual declaration of war, and many Mexicans sent telegrams to their friends outside of Mazatlan saying that war had been declared on the United States. The populace was greatly excited.

On the morning of the 18th, I visited the commandancia of General Mezta, the military commandant of the city that day, as to information as to this declaration of war, telling him that the United States had declared no hostile intention towards Mexico, and if war was to be declared to inform him that Americans in this district would look to the Mexican authorities for protection until such time that they should leave. He gave all guaranties requested, but the conversation was never finished.

At this moment firing was heard where we were in the direction of the wharf, and in a few minutes a Mexican soldier informed us at the said commandancia that American sailors had landed at Mazatlan to take the city. I immediately left the presence of General Mezta, going immediately to the Consulate. On the way to the Consulate the city was in an uproar, and I was in a quandary as to what to think had happened. I had hardly arrived when the chief of staff of General Mezta, Colonel Guillermo Nelson, came in his automobile to the Consulate door and asked me to accompany him to the wharf as American officers from the *Annapolis* had landed and he wanted to know the meaning.

I may say in this connection that this very morning an order had been issued by the authorities not allowing communication with the shore by any American man-of-war. I had no knowledge of this until it was too late to advise the commander of the *Annapolis*. A little after nine in the morning of the 18th the commander of the *Annapolis* sent a boat in with two officers; this boat was turned back with the advice that no communication was allowed with the shore. This boat took back a copy of this proclamation to the commander, and the commander immediately sent another boat in with the request that the authorities advise the Vice Consul and all Americans who wished to avail themselves of the opportunity to come aboard the *Annapolis* for refuge. The officers had orders not to land, but upon nearing the wharf were invited to come up on the wharf and talk the matter over, so I am informed by the best authorities. Upon getting on the wharf to talk the matter over, they were immediately arrested and attacked by an infuriated mob of soldiers and civilians. They were protected by a few of the better class of Mexican officers from this mob, and were escorted under guard to the commandancia militar under arrest.

When these officers were taken by officers of the Mexican army, one of whom had invited them to come up on the wharf, the three seamen accompanying the boat from the *Annapolis* were ordered to get out of the boat also. This they refused to do; the boat pushed off from the wharf, and almost immediately was fired upon by a squad of Mexican soldiers under the same captain who had invited them (the officers) to come up on the wharf. One seaman was wounded in the beginning of the fight; the seamen returned the fire wounding three Mexicans, one of whom, I am informed, died

to-day. It is my sad duty to report the death of the wounded seaman.

Upon my arrival at the comandancia with Colonel Nelson, I immediately had a conference with General Mezta asking him to release the officers and impressing upon him the gravity of his act, stating the case of the officers to the best of my ability as they had stated it to me. He treated my interference in this affair with indifference, and was as hostile to me and the officers as if war had really been declared. We agreed to get the statement of the commander of the *Annapolis* as the first step to secure the release of the said officers. I immediately left the comandancia under an armed escort furnished me by Colonel Nelson for the wharf, took a launch and obtained from Commander Kavanagh of the *Annapolis* a very concise, direct and diplomatic statement of his side of the affair.

This letter was turned over to Colonel Nelson, of the staff of General Mezta, and we went in search of this General who had betaken himself to his quarters. Upon reading the letter from the Commander of the *Annapolis*, he also treated this with indifference and refused to release the officers arrested, saying that the matter had been referred to General Carranza, General Obregon, and General Flores and that they would have to reply to his telegram before he would release them. I told him that he had ordered their detention, and that he had the authority to release them but still he refused. Our conversation lasted about an hour. It seemed to me longer, for I knew that if the officers were detained over night their lives would be in even greater peril than ever from the angry mob of soldiers and civilians who had been armed by the authorities. Finally I told General Mezta that if these officers were detained over night that the affair would assume an international significance that both he and his country would regret; moreover that should war be declared on account of this outrage that not only would it be bad for his country but that he personally would suffer from angry Americans. At this remark he turned rather pale, and in a few moments signed the release of the officers, who were immediately put at liberty upon my presenting the order of their release at the comandancia militar.

I must mention the good work done by Colonel Nelson, son of an American, through whose efforts to effect the release of the officers too much credit cannot be given.

I have [etc.]

A. GORDON BROWN

File No. 812.00/18450

The Secretary of State to Mr. Arredondo

DEPARTMENT OF STATE,
Washington, June 20, 1916.

SIR: I have the honor to deliver to you herewith a note in reply to the communication from Señor C. Aguilar, Secretary of Foreign Relations of your Government received by me through you on May 22, 1916, and to request that you transmit my reply to Señor Aguilar.

I am [etc.]

ROBERT LANSING

File No. 812.00/184.50

*The Secretary of State to the Secretary of Foreign Relations of the
de facto Government of Mexico*

DEPARTMENT OF STATE,
Washington, June 20, 1916.

SIR: I have read your communication, which was delivered to me on May 22, 1916, under instructions of the Chief Executive of the *de facto* Government of Mexico, on the subject of the presence of American troops in Mexican territory, and I would be wanting in candor if I did not, before making answer to the allegations of fact and the conclusions reached by your Government, express the surprise and regret which have been caused this Government by the discourteous tone and temper of this last communication of the *de facto* Government of Mexico.

The Government of the United States has viewed with deep concern and increasing disappointment the progress of the revolution in Mexico. Continuous bloodshed and disorders have marked its progress. For three years the Mexican Republic has been torn with civil strife; the lives of Americans and other aliens have been sacrificed; vast properties developed by American capital and enterprise have been destroyed or rendered nonproductive; bandits have been permitted to roam at will through the territory contiguous to the United States and to seize, without punishment or without effective attempt at punishment, the property of Americans, while the lives of citizens of the United States who ventured to remain in Mexican territory or to return there to protect their interests, have been taken, and in some cases barbarously taken, and the murderers have neither been apprehended nor brought to justice. It would be difficult to find in the annals of the history of Mexico conditions more deplorable than those which have existed there during these recent years of civil war.

It would be tedious to recount instance after instance, outrage after outrage, atrocity after atrocity, to illustrate the true nature and extent of the widespread conditions of lawlessness and violence which have prevailed. During the past nine months in particular, the frontier of the United States along the lower Rio Grande has been thrown into a state of constant apprehension and turmoil because of frequent and sudden incursions into American territory and depredations and murders on American soil by Mexican bandits, who have taken the lives and destroyed the property of American citizens, sometimes carrying American citizens across the international boundary with the booty seized. American garrisons have been attacked at night, American soldiers killed and their equipment and horses stolen; American ranches have been raided, property stolen and destroyed, and American trains wrecked and plundered. The attacks on Brownsville, Red House Ferry, Progreso Post Office, and Las Peladas, all occurring during September last, are typical. In these attacks on American territory, Carrancista adherents, and even Carrancista soldiers took part in the looting, burning and killing. Not only were these murders characterized by ruthless brutality, but uncivilized acts of mutilation were perpetrated. Representations were made to General Carranza and he was emphatically

requested to stop these reprehensible acts in a section which he has long claimed to be under the complete domination of his authority. Notwithstanding these representations and the promise of General Nafarrate to prevent attacks along the international boundary, in the following month of October a passenger train was wrecked by bandits and several persons killed seven miles north of Brownsville, and an attack was made upon United States troops at the same place several days later. Since these attacks leaders of the bandits well known both to Mexican civil and military authorities as well as to American officers have been enjoying with impunity the liberty of the towns of northern Mexico. So far has the indifference of the *de facto* Government to these atrocities gone that some of these leaders, as I am advised, have received not only the protection of that Government, but encouragement and aid as well.

Depredations upon American persons and property within Mexican jurisdiction have been still more numerous. This Government has repeatedly requested in the strongest terms that the *de facto* Government safeguard the lives and homes of American citizens and furnish the protection, which international obligation imposes, to American interests in the Northern States of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, and Sonora, and also in the States to the South. For example, on January 3 troops were requested to punish the bands of outlaws which looted the Cusi mining property, eighty miles west of Chihuahua, but no effective results came from this request. During the following week the bandit Villa with his band of about 200 men was operating without opposition between Rubio and Santa Ysabel, a fact well known to Carrancista authorities. Meanwhile a party of unfortunate Americans started by train from Chihuahua to visit the Cusi mines, after having received assurances from the Carrancista authorities in the State of Chihuahua that the country was safe, and that a guard on the train was not necessary. The Americans held passports or safe conducts issued by authorities of the *de facto* Government. On January 10 the train was stopped by Villa bandits and eighteen of the American party were stripped of their clothing and shot in cold blood, in what is now known as the Santa Ysabel massacre.²¹ General Carranza stated to the agent of the Department of State that he had issued orders for the immediate pursuit, capture, and punishment of those responsible for this atrocious crime, and appealed to this Government and to the American people to consider the difficulties of according protection along the railroad where the massacre occurred. Assurances were also given by Mr. Arredondo, presumably under instructions from the *de facto* Government, that the murderers would be brought to justice, and that steps would also be taken to remedy the lawless conditions existing in the State of Durango. It is true that Villa, Castro and Lopez were publicly declared to be outlaws and subject to apprehension and execution, but so far as known, only a single man personally connected with this massacre has been brought to justice by Mexican authorities. Within a month after this barbarous slaughter of inoffensive Americans it was notorious that Villa was operating within twenty miles of Cusiuhirichic, and publicly stated that his purpose was to destroy American

²¹ See Protection of Americans and American Interests, p. 650.

lives and property. Despite repeated and insistent demands that military protection should be furnished to Americans, Villa openly carried on his operations, constantly approaching closer and closer to the border. He was not intercepted, nor were his movements impeded by troops of the *de facto* Government, and no effectual attempt was made to frustrate his hostile designs against Americans. In fact, as I am informed, while Villa and his band were slowly moving toward the American frontier in the neighborhood of Columbus, New Mexico, not a single Mexican soldier was seen in his vicinity. Yet the Mexican authorities were fully cognizant of his movements, for on March 6, as General Gavira publicly announced, he advised the American military authorities of the outlaw's approach to the border, so that they might be prepared to prevent him from crossing the boundary. Villa's unhindered activities culminated in the unprovoked and cold-blooded attack upon American soldiers and citizens in the town of Columbus on the night of March 9, the details of which do not need repetition here in order to refresh your memory with the heinousness of the crime. After murdering, burning and plundering, Villa and his bandits fleeing south passed within sight of the Carrancista military post at Casas Grandes, and no effort was made to stop him by the officers and garrison of the *de facto* Government stationed there.

In the face of these depredations not only on American lives and property on Mexican soil but on American soldiers, citizens and homes on American territory, the perpetrators of which General Carranza was unable or possibly considered it inadvisable to apprehend and punish, the United States had no recourse other than to employ force to disperse the bands of Mexican outlaws who were with increasing boldness systematically raiding across the international boundary. The marauders engaged in the attack on Columbus were driven back across the border by American cavalry, and subsequently, as soon as a sufficient force to cope with the band could be collected, were pursued into Mexico in an effort to capture or destroy them. Without cooperation or assistance in the field on the part of the *de facto* Government, despite repeated requests by the United States, and without apparent recognition on its part of the desirability of putting an end to these systematic raids, or of punishing the chief perpetrators of the crimes committed, because they menaced the good relations of the two countries, American forces pursued the lawless bands as far as Parral, where the pursuit was halted by the hostility of Mexicans, presumed to be loyal to the *de facto* Government, who arrayed themselves on the side of outlawry and became in effect the protectors of Villa and his band.

In this manner and for these reasons have the American forces entered Mexican territory. Knowing fully the circumstances set forth the *de facto* Government cannot be blind to the necessity which compelled this Government to act and yet it has seen fit to recite groundless sentiments of hostility toward the expedition and to impute to this Government ulterior motives for the continued presence of American troops on Mexican soil. It is charged that these troops crossed the frontier without first obtaining the consent or permission of the *de facto* Government. Obviously, as immediate action alone could avail, there was no opportunity to reach an agree-

ment (other than that of March 10-13 now repudiated by General Carranza) prior to the entrance of such an expedition into Mexico if the expedition was to be effective. Subsequent events and correspondence have demonstrated to the satisfaction of this Government that General Carranza would not have entered into any agreement providing for an effective plan for the capture and destruction of the Villa bands. While the American troops were moving rapidly southward in pursuit of the raiders, it was the form and nature of the agreement that occupied the attention of General Carranza rather than the practical object which it was to attain—the number of limitations that could be imposed upon the American forces to impede their progress rather than the obstacles that could be raised to prevent the escape of the outlaws. It was General Carranza who suspended through your note of April 12 all discussions and negotiations for an agreement along the lines of the Protocols between the United States and Mexico concluded during the period 1882-1896, under which the two countries had so successfully restored peaceful conditions on their common boundary. It may be mentioned here that, notwithstanding the statement in your note that “the American Government gave no answer to the note of the 12th of April,” this note was replied to on April 14, when the Department instructed Mr. Rodgers by telegraph to deliver this Government’s answer to General Carranza. Shortly after this reply the conferences between Generals Scott, Funston and Obregon began at El Paso, during which they signed on May 2 a project of a memorandum *ad referendum* regarding the withdrawal of American troops. As an indication of the alleged bad faith of the American Government, you state that though General Scott declared in this memorandum that the destruction and dispersion of the Villa band “had been accomplished”, yet American forces are not withdrawn from Mexico. It is only necessary to read the memorandum, which is in the English language, to ascertain that this is clearly a misstatement, for the memorandum states that “the American punitive expeditionary forces have destroyed or dispersed many of the lawless elements and bandits, * * * or have driven them far into the interior of the Republic of Mexico,” and further, that the United States forces were then “carrying on a vigorous pursuit of such small numbers of bandits or lawless elements as may have escaped”. The context of your note gives the impression that the object of the expedition being admittedly accomplished, the United States had agreed in the memorandum to begin the withdrawal of its troops. The memorandum shows, however, that it was not alone on account of partial dispersion of the bandits that it was decided to begin the withdrawal of American forces, but equally on account of the assurances of the Mexican Government that their forces were “at the present time being augmented and strengthened to such an extent that they will be able to prevent any disorders occurring in Mexico that would in any way endanger American territory”, and that they would “continue to diligently pursue, capture or destroy any lawless bands of bandits that may still exist or hereafter exist in the northern part of Mexico”, and that it would “make a proper distribution of such of its forces as may be necessary to prevent the possibility of invasion of American territory from Mexico”. It was because of these assurances and because of General Scott’s confidence

that they would be carried out that he stated in the memorandum that the American forces would be "*gradually withdrawn*". It is to be noted that, while the American Government was willing to ratify this agreement, General Carranza refused to do so, as General Obregon stated, because, among other things, it imposed improper conditions upon the Mexican Government.

Notwithstanding the assurances in the memorandum, it is well known that the forces of the *de facto* Government have not carried on a vigorous pursuit of the remaining bandits and that no proper distribution of forces to prevent the invasion of American territory has been made, as will be shown by the further facts hereinafter set forth. I am reluctant to be forced to the conclusion which might be drawn from these circumstances that the *de facto* Government, in spite of the crimes committed and the sinister designs of Villa and his followers, did not and does not now intend or desire that these outlaws should be captured, destroyed, or dispersed by American troops or, at the request of this Government, by Mexican troops.

While the conferences at El Paso were in progress, and after the American conferees had been assured on May 2 that the Mexican forces in the northern part of the Republic were then being augmented so as to be able to prevent any disorders that would endanger American territory, a band of Mexicans, on the night of May 5, made an attack at Glen Springs, Texas, about twenty miles north of the border, killing American soldiers and civilians, burning and sacking property and carrying off two Americans as prisoners. Subsequent to this event, the Mexican Government, as you state, "gave instructions to General Obregon to notify that of the United States that it would not permit the further passage of American troops into Mexico on this account, and that orders had been given to all military commanders along the frontier not to consent to same". This Government is of course not in a position to dispute the statement that these instructions had been given to General Obregon, but it can decisively assert that General Obregon never gave any such notification to General Scott or General Funston or, so far as known, to any other American official. General Obregon did, however, inquire as to whether American troops had entered Mexico in pursuit of the Glen Springs raiders, and General Funston stated that no orders had been issued to American troops to cross the frontier on account of the raid, but this statement was made before any such orders had been issued, and not afterwards, as the erroneous account of the interview given in your note would appear to indicate. Moreover, no statement was made by the American Generals that "no more American troops would cross into our territory". On the contrary, it was pointed out to General Obregon and to Mr. Juan Amador, who was present at the conference, and pointed out with emphasis, that the bandits de la Rosa and Pedro Vино, who had been instrumental in causing the invasion of Texas above Brownsville, were even then reported to be arranging in the neighborhood of Victoria for another raid across the border, and it was made clear to General Obregon that if the Mexican Government did not take immediate steps to prevent another invasion of the United States by these marauders, who were frequently seen in the company of General Nafarrate, the Constitutionalist commander, Mexico would find in Tamaulipas another punitive expedition similar to

that then in Chihuahua. American troops crossed into Mexico on May 10, upon notification to the local military authorities, under the repudiated agreement of March 10-13, or in any event in accordance with the practice adopted over forty years ago, when there was no agreement regarding pursuit of marauders across the international boundary. These troops penetrated 168 miles into Mexican territory in pursuit of the Glen Springs marauders without encountering a detachment of Mexican troops or a single Mexican soldier. Further discussion of this raid, however, is not necessary, because the American forces sent in pursuit of the bandits recrossed into Texas on the morning of May 22, the date of your note under consideration—a further proof of the singleness of purpose of this Government in endeavoring to quell disorder and stamp out lawlessness along the border.

During the continuance of the El Paso conferences, General Scott you assert, did not take into consideration the plan proposed by the Mexican Government for the protection of the frontier by the reciprocal distribution of troops along the boundary. This proposition was made by General Obregon a number of times, but each time conditioned upon the immediate withdrawal of American troops, and the Mexican conferees were invariably informed that *immediate* withdrawal could not take place, and that therefore it was impossible to discuss the project on that basis.

I have noted the fact that your communication is not limited to a discussion of the deplorable conditions existing along the border and their important bearing on the peaceful relations of our Governments, but that an effort is made to connect it with other circumstances in order to support, if possible, a mistaken interpretation of the attitude of the Government of the United States toward Mexico. You state in effect that the American Government has placed every obstacle in the way of attaining the pacification of Mexico, and that this is shown by the volume of diplomatic representations in behalf of American interests which constantly impede efforts to reorganize the political, economical and social conditions of the country; by the decided aid lent at one time to Villa by American officers and by the Department of State; by the aid extended by the American Catholic clergy to that of Mexico; by the constant activity of the American press in favor of intervention and the interests of American business men; by the shelter and supply of rebels and conspirators on American territory; by the detention of shipments of arms and munitions purchased by the Mexican Government; and by the detention of machinery intended for their manufacture.

In reply to this sweeping charge, I can truthfully affirm that the American Government has given every possible encouragement to the *de facto* Government in the pacification and rehabilitation of Mexico. From the moment of its recognition, it has had the undivided support of this Government. An embargo was placed upon arms and ammunition going into Chihuahua, Sonora and Lower California, in order to prevent their falling into the hands of the armed opponents of the *de facto* Government. Permission has been granted from time to time, as requested, for Mexican troops and equipment to traverse American territory from one point to another in Mexico in order that the operations of Mexican troops against Villa and his forces might

be facilitated. In view of these friendly acts, I am surprised that the *de facto* Government has construed diplomatic representations in regard to the unjust treatment accorded American interests, private assistance to opponents to the *de facto* Government by sympathizers in a foreign country, and the activity of a foreign press as interference by the United States Government in the domestic politics of Mexico. If a denial is needed that this Government has had ulterior and improper motives in its diplomatic representations, or has countenanced the activities of American sympathizers and the American press opposed to the *de facto* Government, I am glad most emphatically to deny it. It is, however, a matter of common knowledge that the Mexican press has been more active than the press in the United States in endeavoring to inflame the two peoples against each other and to force the two countries into hostilities. With the power of censorship of the Mexican press, so rigorously exercised by the *de facto* Government, the responsibility for this activity cannot, it would seem, be avoided by that Government, and the issue of the appeal of General Carranza himself in the press of March 12th, calling upon the Mexican people to be prepared for any emergency which might arise, and intimating that war with the United States was imminent, evidences the attitude of the *de facto* Government toward these publications. It should not be a matter of surprise that, after such manifestations of hostile feeling, the United States was doubtful of the purpose for which the large amount of ammunition was to be used which the *de facto* Government appeared eager to import from this country. Moreover, the policy of the *de facto* Government in refusing to cooperate and in failing to act independently in destroying the Villa bandits and in otherwise suppressing outlawry in the vicinity of the border so as to remove the danger of war materials, while passing southward through this zone, falling into the hands of the enemies of law and order is, in the opinion of this Government, a sufficient ground, even if there were no other, for the refusal to allow such materials to cross the boundary into the bandit-infested region. To have permitted these shipments without careful scrutiny would, in the circumstances, have been to manifest a sense of security which would have been unjustified.

Candor compels me to add that the unconcealed hostility of the subordinate military commanders of the *de facto* Government toward the American troops engaged in pursuing the Villa bands and the efforts of the *de facto* Government to compel their withdrawal from Mexican territory by threats and show of military force instead of by aiding in the capture of the outlaws constitute a menace to the safety of the American troops and to the peace of the border. As long as this menace continues and there is any evidence of an intention on the part of the *de facto* Government or its military commanders to use force against the American troops instead of cooperating with them, the Government of the United States will not permit munitions of war or machinery for their manufacture to be exported from this country to Mexico.

As to the shelter and supply of rebels and conspirators on American territory, I can state that vigorous efforts have been and are being made by the agents of the United States to apprehend and bring to justice all persons found to be conspiring to violate

the laws of the United States by organizing to oppose with arms the *de facto* Government of Mexico. Political refugees have undoubtedly sought asylum in the United States, but this Government has vigilantly kept them under surveillance and has not hesitated to apprehend them upon proof of their criminal intentions, as the arrest of General Huerta and others fully attests.

Having corrected the erroneous statements of fact to which I have adverted, the real situation stands forth in its true light. It is admitted that American troops have crossed the international boundary in hot pursuit of the Columbus raiders and without notice to or the consent of your Government but the several protestations on the part of this Government by the President, by this Department, and by other American authorities, that the object of the expedition was to capture, destroy or completely disperse the Villa bands of outlaws or to turn this duty over to the Mexican authorities when assured that it would be effectively fulfilled, have been carried out in perfect good faith by the United States. Its efforts, however, have been obstructed at every point; first, by insistence on a palpably useless agreement which you admit was either not to apply to the present expedition or was to contain impracticable restrictions on its organization and operation; then by actual opposition, encouraged and fostered by the *de facto* Government, to the further advance of the expedition into Villa territory, which was followed by the sudden suspension of all negotiations for an arrangement for the pursuit of Villa and his followers and the protection of the frontier; and finally by a demand for the immediate withdrawal of the American troops. Meantime, conditions of anarchy in the border States of Mexico were continually growing worse. Incursions into American territory was plotted and perpetrated; the Glen Springs raid was successfully executed, while no effective efforts were being made by General Carranza to improve the conditions and to protect American territory from constant threat of invasion. In view of this increasing menace, of the inactivity of the Carranza forces, of the lack of cooperation in the apprehension of the Villa bands, and of the known encouragement and aid given to bandit leaders, it is unreasonable to expect the United States to withdraw its forces from Mexican territory or to prevent their entry again when their presence is the only check upon further bandit outrages and the only efficient means of protecting American lives and homes—safeguards which General Carranza, though internationally obligated to supply, is manifestly unable or unwilling to give.

In view of the actual state of affairs as I have outlined it above, I am now in a position to consider the conclusions which you have drawn in your note under acknowledgment from the erroneous statements of fact which you have set forth.

Your Government intimates, if it does not openly charge, that the attitude of the United States is one of insincerity, distrust, and suspicion toward the *de facto* Government of Mexico, and that the intention of the United States in sending its troops into Mexico is to extend its sovereignty over Mexican territory, and not merely for the purpose of pursuing marauders and preventing future raids across the border. The *de facto* Government charges by implication which admits of but one interpretation, that this Government has as

its object territorial aggrandizement even at the expense of a war of aggression against a neighbor weakened by years of civil strife. The Government of the United States, if it had had designs upon the territory of Mexico, would have had no difficulty in finding during this period of revolution and disorder many plausible arguments for intervention in Mexican affairs. Hoping, however, that the people of Mexico would through their own efforts restore peace and establish an orderly government, the United States has awaited with patience the consummation of the revolution.

When the superiority of the revolutionary faction led by General Carranza became undoubted, the United States, after conferring with six others of the American Republics, recognized unconditionally the present *de facto* Government. It hoped and expected that that Government would speedily restore order and provide the Mexican people and others, who had given their energy and substance to the development of the great resources of the Republic, opportunity to rebuild in peace and security their shattered fortunes.

This Government has waited month after month for the consummation of its hope and expectation. In spite of increasing discouragements, in spite of repeated provocations to exercise force in the restoration of order in the northern regions of Mexico, where American interests have suffered most seriously from lawlessness, the Government of the United States has refrained from aggressive action and sought by appeals and moderate though explicit demands to impress upon the *de facto* Government the seriousness of the situation and to arouse it to its duty to perform its international obligations toward citizens of the United States who had entered the territory of Mexico or had vested interests within its boundaries.

In the face of constantly renewed evidences of the patience and restraint of this Government in circumstances which only a government imbued with unselfishness and a sincere desire to respect to the full the sovereign rights and national dignity of the Mexican people would have endured, doubts and suspicions as to the motives of the Government of the United States are expressed in your communication of May 22, for which I can imagine no purpose but to impugn the good faith of this Government for I find it hard to believe that such imputations are not universally known to be without the least shadow of justification in fact.

Can the *de facto* Government doubt that, if the United States had turned covetous eyes on Mexican territory, it could have found many pretexts in the past for the gratification of its desire? Can that Government doubt that months ago, when the war between the revolutionary factions was in progress, a much better opportunity than the present was afforded for American intervention, if such has been the purpose of the United States as the *de facto* Government now insinuates? What motive could this Government have had in refraining from taking advantage of such opportunities other than unselfish friendship for the Mexican Republic? I have of course given consideration to your argument that the responsibility for the present situation rests largely upon this Government. In the first place, you state that even the American forces along the border whose attention is undivided by other military operations, "find themselves physically unable to protect

effectively the frontier on the American side". Obviously, if there is no means of reaching bands roving on Mexican territory and making sudden dashes at night into American territory it is impossible to prevent such invasions unless the frontier is protected by a cordon of troops. No government could be expected to maintain a force of this strength along the boundary of a nation with which it is at peace for the purpose of resisting the onslaughts of a few bands of lawless men, especially when the neighboring state makes no effort to prevent these attacks. The most effective method of preventing raids of this nature, as past experience has fully demonstrated, is to visit punishment or destruction on the raiders. It is precisely this plan which the United States desires to follow along the border without any intention of infringing upon the sovereign rights of her neighbor, but which, although obviously advantageous to the *de facto* Government, it refuses to allow or even countenance. It is in fact protection to American lives and property about which the United States is solicitous and not the methods or ways in which that protection shall be accomplished. If the Mexican Government is unwilling or unable to give this protection by preventing its territory from being the rendezvous and refuge of murderers and plunderers, that does not relieve this Government from its duty to take all the steps necessary to safeguard American citizens on American soil. The United States Government can not and will not allow bands of lawless men to establish themselves upon its borders with liberty to invade and plunder American territory with impunity and, when pursued, to seek safety across the Rio Grande, relying upon the plea of their Government that the integrity of the soil of the Mexican Republic must not be violated.

The Mexican Government further protests that it has "made every effort on its part to protect the frontier" and that it is doing "all possible to avoid a recurrence of such acts". Attention is again invited to the well-known and unrestricted activity of de la Rosa, Ancieto Piscano, Pedro Vino and others in connection with border raids and to the fact that, as I am advised, up to June 4 de la Rosa was still collecting troops at Monterey for the openly avowed purpose of making attacks on Texan border towns and that Pedro Vino was recruiting at other places for the same avowed purpose. I have already pointed out the uninterrupted progress of Villa to and from Columbus, and the fact that the American forces in pursuit of the Glen Springs marauders penetrated 168 miles into Mexican territory without encountering a single Carrancista soldier. This does not indicate that the Mexican Government is doing "all possible" to avoid further raids; and if it is doing "all possible", this is not sufficient to prevent border raids, and there is every reason, therefore, why this Government must take such preventive measures as it deems sufficient.

It is suggested that injuries suffered on account of bandit raids are a matter of "pecuniary reparation" but "never the cause for American forces to invade Mexican soil". The precedents which have been established and maintained by the Government of the Mexican Republic for the last half century do not bear out this statement. It has grown to be almost a custom not to settle depre-

dations of bandits by payments of money alone but to quell such disorders and to prevent such crimes by swift and sure punishment.

The *de facto* Government finally argues that "if the frontier were duly protected from incursions from Mexico there would be no reason for the existing difficulty"; thus the *de facto* Government attempts to absolve itself from the first duty of any Government, namely, the protection of life and property. This is the paramount obligation for which governments are instituted, and governments neglecting or failing to perform it are not worthy of the name. This is the duty for which General Carranza, it must be assumed, initiated his revolution in Mexico and organized the present government and for which the United States Government recognized his government as the *de facto* Government of Mexico. Protection of American lives and property, then, in the United States is first the obligation of this Government, and in Mexico is, first, the obligation of Mexico, and second, the obligation of the United States. In securing this protection along the common boundary the United States has a right to expect the cooperation of its neighboring Republic; and yet, instead of taking steps to check or punish the raiders, the *de facto* Government demurs and objects to measures taken by the United States. The Government of the United States does not wish to believe that the *de facto* Government approves these marauding attacks, yet as they continue to be made, they show that the Mexican Government is unable to repress them. This inability, as this Government has had occasion in the past to say, may excuse the failure to check the outrages complained of, but it only makes stronger the duty of the United States to prevent them, for if the Government of Mexico can not protect the lives and property of Americans, exposed to attack from Mexicans, the Government of the United States is in duty bound, so far as it can, to do so.

In conclusion, the Mexican Government invites the United States to support its "assurances of friendship with real and effective acts" which "can be no other than the immediate withdrawal of the American troops". For the reasons I have herein fully set forth, this request of the *de facto* Government can not now be entertained. The United States has not sought the duty which has been forced upon it of pursuing bandits who under fundamental principles of municipal and international law, ought to be pursued and arrested and punished by Mexican authorities. Whenever Mexico will assume and effectively exercise that responsibility the United States, as it has many times before publicly declared, will be glad to have this obligation fulfilled by the *de facto* Government of Mexico. If, on the contrary, the *de facto* Government is pleased to ignore this obligation and to believe that "in case of a refusal to retire these troops there is no further recourse than to defend its territory by an appeal to arms", the Government of the United States would surely be lacking in sincerity and friendship if it did not frankly impress upon the *de facto* Government that the execution of this threat will lead to the gravest consequences. While this Government would deeply regret such a result, it cannot recede from its settled determination to maintain its national rights and to perform

its full duty in preventing further invasions of the territory of the United States and in removing the peril which Americans along the international boundary have borne so long with patience and forbearance.

Accept, etc.,

ROBERT LANSING

[NOTE.—A résumé of the above note was telegraphed to all American Missions in Central and South America June 21, 1916.]

File No. 812.00 18534b

The Secretary of State to the Argentine Ambassador ²²

DEPARTMENT OF STATE,
Washington, June 21, 1916.

EXCELLENCY: I inclose for your information a copy of this Government's note of June 20 to the Secretary of Foreign Relations of the *de facto* Government of Mexico on the subject of the presence of American troops in Mexican territory. This communication states clearly the critical relations existing between this Government and the *de facto* Government of Mexico and the causes which have led up to the present situation.

Should this situation eventuate into hostilities, which this Government would deeply regret and will use every honorable effort to avoid, I take this opportunity to inform you that this Government would have for its object, not intervention in Mexican affairs, with all the regrettable consequences which might result from such a policy, but the defense of American territory from further invasion by bands of armed Mexicans, protection of American citizens and property along the boundary from outrages committed by such bandits, and the prevention of future depredations, by force of arms against the marauders infesting this region and against a Government which is encouraging and aiding them in their activities. Hostilities, in short, would be simply a state of international war without purpose on the part of the United States other than to end the conditions which menace our national peace and the safety of our citizens.

Accept, [etc.]

ROBERT LANSING

File No. 812.00/18525

* *Special Representative Rodgers to the Secretary of State*

[Telegram]

MEXICO CITY, June 21, 1916, 9 p. m.

165. Bulletin from Mexican War Office tonight announces engagement in State Chihuahua between American and Mexican forces. Announced General Feliz Gomez killed, seventeen American prisoners taken, and that Americans retired.

This bulletin generally interpreted as announcement beginning hostilities.

RODGERS

²² Same to the diplomatic representatives in Washington of Brazil, Chile, Bolivia, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Peru, Paraguay, Salvador, Uruguay, and Venezuela.

File No. 812.00/18525

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 22, 1916, 6 p. m.

160. Your 165, June 21. War Department to-day received following from General Bell, El Paso:

Mexican Consul Garcia telephoned me 6 p. m. as follows: There was a clash this a. m. at Carrizal near Villa Ahumada between Carrancista and American troops in which General Gomez and other Mexicans were killed, number unknown. Number of Americans killed or wounded unknown. That General Gomez sent a captain with an order to American commander to go back but American said he was going to Villa Ahumada and opened fire on Mexican captain wounding him and killing a private who was with him. That Americans attacked General Gomez but were driven back and that several were taken prisoners. Prisoners were sent to Chihuahua. Garcia says this is telephoned at request General Gonzales.

Following from General Bell personally:

An American who was on the train to-day passing Villa Ahumada about two thirty p. m. states that he saw several dead Mexicans put on his train and among them was a dead Mexican General. There were also several Mexican wounded. He gathered from talk of Mexicans that fight was with American cavalry about nine miles west and that the Americans were decoyed into a trap by using a flag of truce. That they were then fired on by machine guns and then had to retire. Copy furnished Pershing. Report states our troops engaged were 10th Cavalry. More particulars later.

Department's unconfirmed reports give American dead at forty and captured at seventeen. Above information from Mexican official sources.

LANSDING

File No. 812.00/18688

The Adjutant General to General Funston

[Telegram]

WAR DEPARTMENT,
Washington, June 22, 1916.

1541. Your number 1716 received. Clearly General Pershing has not yet had any direct report from commanding officers of troops involved in Carrizal fight. The Secretary of War approves your suggestion that no direction should be given to General Pershing to make the moves which he recommends until official report is received and transmitted here and action authorized from here.

McCAIN

File No. 812.00/18688

General Funston to the Secretary of War

[Telegrams]

FORT SAM HOUSTON, June 22, 1916.

1734. Following just received from Pershing:

Reference Ahumada affair, one of five enlisted men returned from Boyd's troop this morning says they were horse holders and reports Boyd's troop had fight at Carrizal. That during discussion between Captain Boyd and General

Gomez, regarding Boyd's proceeding further, Mexican troops surrounded Boyd and began firing. Says firing continued some time before they left. General Bell reports Juarez garrison left for Ahumada saying they were preparing to attack our forces. Have given orders for movement on Ahumada with stronger force than previously planned, leaving only cavalry to cut railroad at Callego.

FUNSTON

File No. 812.00/18686

FORT SAM HOUSTON, *June 23, 1916.*

1755. Following received from Pershing:

Receipt acknowledged of your 247 and 248. Seven men from Boyds command have reported so far. Two others left San Domingo ranch twelve miles west Carrizal for Galanea. One other reported returning to Ojo Federico. Through examination these men made, main facts agree. Conclusion seems fair that Boyd thought Mexicans were bluffing. One man reports that Captain Morey said to his troops that Captain Boyd thought Mexicans were bluffing and had decided to try it out. It appears that General Gomez came out three times confer with Captain Boyd, apparently endeavoring induce him not try proceed further. During conference Mexican moved troops, began movement toward American flanks. If observed by Boyd this should have indicated Mexican intentions. Notwithstanding this and still confronting Mexican lines Boyd dismounted to fight on foot and sent horses to rear. After final talk with Gomez, Boyd moved forward in skirmish line whereupon Mexicans opened fire. Dismounting his troops in the face of mounted Mexican forces suggests that Boyd did not appreciate gravity of situation, perhaps after fight began, his horses were soon stampeded from tense firing from Mexican cavalry on his flanks and he was left afoot. The few horse soldiers who escaped mounted and fled. These men report several loose horses and mules at San Domingo ranch and that American there said he would gather them up. No doubt many will be found by our troops sent out for that purpose. If Mexican official report correct, about fifteen men remain unaccounted for. No names of killed known except as stated in press dispatches. It is assumed that a demand has been made for return of American prisoners. Will wire further facts as rapidly as ascertained. All troops between here and Cumbre have gone to Madera. Cavalry patrol returning from Ojatas sixty miles west reports no indication movement from Sonora.

FUNSTON

File No. 812.00/18585

FORT SAM HOUSTON, *June 24, 1916.*

1776. Following received from Pershing:

Report received this morning from Major Jenkins states 5 men Troop C and one man Troop K found at San Luis Ranch. Also several horses and mules. The men state Captain Boyd's Troop C formed left of skirmish line with Captain Morey's Troop K on right. After firing began Troop C advanced by rushes 250 yards toward Mexican position along irrigation ditch, taking it and capturing machine guns. Captain Boyd twice wounded, in arm and shoulder before reaching position, was killed at irrigation ditch. Troop C continued to advance through town under Lieut. Adair. This was last seen of Troop C. Troop K was ~~outflanked~~ and withdrew short distance occupying adobe house, Morey wounded in shoulder. This house was surrounded by Mexicans and under fire for some time. Nothing further known about men in and around house. Truck train dispatched this morning with supplies to Jenkins squadron at San Luis ranch and Howze's squadron one days march behind. Jenkins ordered to San Domingo ranch where it is believed full particulars and remaining men who escaped may be found. Our men on firing line evidently displayed splendid courage and fighting ability. But were in a trap from the very start. Total number men now accounted for within our lines 33. Considering 17 captured and 13 or 14 killed, 20 or 21 wounded still remain unaccounted for. It is not now believed that as many as 43 prisoners were captured. Men with Jenkins at San Luis state they believe 10 or 12 men of Morey's troop who occupied house escaped.

FUNSTON

File No. 812.00/18574

Mr. Arredondo to the Secretary of State

WASHINGTON, June 24, 1916.

MY DEAR MR. LANSING: I am directed by my Government to inform your excellency, with reference to the Carrizal incident, that the Chief Executive, through the Mexican War Department, gave orders to General Jacinto B. Treviño not to permit American forces from General Pershing's column to advance further south, nor to move either east or west from the points where they are located, and to oppose new incursions of American soldiers into Mexican territory. These orders were brought by General Treviño to the attention of General Pershing, who acknowledged the receipt of the communication relative thereto. On the 22d instant, as your excellency knows, an American force moved eastward quite far from its base, notwithstanding the above orders, and was engaged by Mexican troops at Carrizal, State of Chihuahua. As a result of the encounter, several men on both sides were killed and wounded and 17 American soldiers were made prisoners.

With the assurance [etc.]

E. ARREDONDO

File No. 812.00/18574

The Secretary of State to Special Representative Rodgers

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, June 25, 1916, 1 p. m.

168. Mr. Arredondo yesterday delivered to this Government the following communication: [Here follows note of Mr. Arredondo of June 24, 1916.]

You are hereby instructed to hand to the Minister of Foreign Relations of the *de facto* Government the following:

The Government of the United States can put no other construction upon the communication handed to the Secretary of State of the United States on the 24th of June by Mr. Arredondo, under instruction of your Government, than that it is intended as a formal avowal of deliberately hostile action against the forces of the United States now in Mexico, and of the purpose to attack them without provocation whenever they move from their present position in pursuance of the objects for which they were sent there, notwithstanding the fact that those objects not only involve no unfriendly intention towards the Government and people of Mexico, but are on the contrary, intended only to assist that Government in protecting itself and the territory and people of the United States against irresponsible and insurgent bands of rebel marauders.

I am instructed, therefore, by my Government to demand the immediate release of the prisoners taken in the encounter at Carrizal, together with any property of the United States taken with them, and to inform you that the Government of the United States expects an early statement from your Government as to the course of action it wishes the Government of the United States to understand it has determined upon, and that it also expects that this statement be made through the usual diplomatic channels, and not through subordinate military commanders.

LANSING

File No. 812.00/18916

General Funston to the Secretary of War

[Telegram]

FORT SAM HOUSTON, June 25, 1916.

1786. Following received from General Pershing and transmitted:

Dublan, Mexico, June 25, 1916, Number 291. Following message written by Captain Morey shortly after the Carrizal battle, found in hands of three men of Troop K, returning from Carrizal, and sent to Ojo Federico by Lieut. Meyers: "Carrizal, Mexico, June 21, 1916, 9.15 a. m. to C. O., Ojo Federico. My troop reached Ojo Santo Domingo at 5.30 p. m. June 20, met Troop G under Captain Boyd. I came under Captain Boyd's command and marched my troop in rear for Carrizal at 4.15 a. m. Reached open field to southeast of town at 6.30 a. m. Captain Boyd sent in a note requesting permission to pass through town. This was refused. Stated we could go to north but not east. Captain Boyd said he was going to Ahumada at this time. He was talking with Carranza commander. General Gomez sent a written message that Captain Boyd could bring his force in town and have a conference. Captain Boyd feared an ambush. He was under the impression that the Mexicans would run as soon as we fired. We formed for attack, his intention being to move up to the line of about 120 Mexicans on edge of town. We formed mounted, C on left in line of foragers, one platoon on right line of foragers and other K Troop platoon on extreme right and echeloned a little to rear. When we were within 300 yards Captain Boyd dismounted to fight on foot. I did likewise. The Mexicans opened fire and a strong one before we fired a shot; then we opened up. They did not run, but, to make a long account short, after about an hours fire in which both troops advanced, C Troop to position of Mexican machine gun and K Troop closing in slightly to the left. We were very busy on the right keeping off flank attack. A group of Mexicans left town went around our rear and our lead horses left at a gallop. At about nine o'clock one platoon Troop K which was on right fell back. Sergeant said he could not stay there. Both platoons fell back about 1000 yards to the west and then together with some men of Troop C who were there these men scattered. I was slightly wounded. Captain Boyd, a man told me, was killed. Nothing was seen of Lieut. Adair after fight started, so man I saw stated. I am hiding in a hole 2000 yards from field and have one other wounded man and three men with me. Signed Morey, Captain". The three men referred to by Morey are the three who had above message in their possession and the wounded man was from Troop C shot through the knee. Lieut. Meyers reports that the three men were rather vague as to where they had left Captain Morey. But stated that on the night of the 21st they had carried him back two miles from point where he was in hiding, that Morey became weak, could go no further and told them to leave him. The men thought he was dying from loss of blood and lack of water. Meyers reconnoitered 20 miles east of Santa Maria but found nothing. Out of grain and forage, horses in bad shape, had to return. Pershing.

FUNSTON

File No. 812.00/18579

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, June 26, 1916, 1 p. m.

185. Department's instruction 168, June 25, 1 p. m. complied with this morning 11 o'clock a. m.

Opportunity having offered impressed necessity for speedy reply. Was assured communication would be brought to attention General Carranza immediately.

RODGERS

File No. 812.00/18600

The British Consul at Chihuahua to the British Embassy

[Transmitted to the Department of State by the British Embassy.]

JUNE 27, 1916.

There are twenty-one privates and two sergeants of 10th Cavalry, and one white interpreter, interned in penitentiary. Two are slightly wounded, one through shoulder, and the other through flesh, near the knee. Both recovering and receiving medical attention. They are sufficiently fed and well treated. They have ample room for exercise. Am assured there is no danger for their lives.

File No. 812.00/18607

Special Representative Rodgers to the Secretary of State

[Telegram—Extract]

MEXICO CITY, June 28, 1916, 10 p. m.

192. Informed by Secretary of State for Foreign Affairs this morning that Arredondo instructed to inform Department prisoners Chihuahua would be released and order issued to that end. Asked as to statement concerning future course of action required by American Government. Evasion attempted but upon being pressed for answer Secretary stated would consult General Carranza and inform me in the course of the day. Requested information as to whether order to Treviño had been withdrawn and at first was given negative answer which later was amended by saying Secretary of War might have changed orders. Expect receive answer tonight. They are evidently trying to gain time and will evade answering as long as possible.

RODGERS

File No. 812.00/18609

Mr. Arredondo to the Secretary of State

WASHINGTON, June 28, 1916.

MY DEAR MR. LANSING: I am directed by my Government to bring to your excellency's attention that forces belonging to the expedition commanded by General Pershing in the State of Chihuahua arrested some 300 peaceful residents of La Cruz, subjecting them to uncalled for maltreatment before releasing them; that a column of the same forces, about 3000 strong, which left San Geronimo in the direction of Valle de San Buenaventura, is committing all kinds of outrages in places on its way, those distinguishing themselves by their excesses being the Apaches who constitute a part of those forces. My Government, therefore, directs me to request your excellency's good offices to the end that instructions may be given to the proper commanders to punish the perpetrators of the above-mentioned excesses and avoid the recurrence of them.

With the assurance [etc.]

E. ARREDONDO

File No. 812.00/18609

The Secretary of State to the Secretary of War

DEPARTMENT OF STATE,
Washington, July 1, 1916.

SIR: I have the honor to enclose herewith a copy of a letter from the representative in Washington of the *de facto* Government of Mexico, in regard to the reported arrest of certain inhabitants of La Cruz, Mexico, by troops under the command of General Pershing, and to alleged outrages by Apaches attached to General Pershing's forces.

The Department would be glad to receive from you a report in regard to the matter.

I have [etc.]

ROBERT LANSING

File No. 812.00/18689b

The Secretary of State to Consul Dawson

[Telegram]

DEPARTMENT OF STATE,
Washington, July 1, 1916, 1 p. m.

Cable full information regarding U. S. Naval launch being fired upon by Carranza soldiers and mail any affidavits obtainable.

LANSING

File No. 812.00/18643

Consul Dawson to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Tampico, July 2, 1916, 4 p. m.

Your July 1, 1 p. m. Naval officer and 6 men from *Marietta* fired on 26th instant about 6 p. m., by Carranza soldiers at river entrance while returning to naval vessel from outside after fulfilling duty as escort on outbound refugee ship.

Launch was private craft belonging to Americans. No advance warning given, regardless of N's [Nafarate's?] subsequent claim to contrary. First shot pierced awning. Our men returned fire. Brisk fusillade resulted. No American casualties. Unconfirmed report says two Mexicans killed. Commander Scott asked for explanation about 9 a. m. the same evening but no reply being received by (10?) a. m. next day he reminded N. that should it not be forthcoming by noon, *Marietta* would proceed to jetties and escort launch to anchorage also warning him that a single shot fired would result in gravest consequences. Reply not having been received by time stated *Marietta* proceeded to jetties and escorted launch to anchorage without incident.

N. finally replied, accepting responsibility. His first letter claimed launch failed to obey signals from shore. His second was equivocal

and failed to meet the request that unless N. wished incident to be [considered ?] as deliberate act of *de facto* Government that he disavow. N. left Tampico for the border immediately after sending this communication. Affidavits not obtainable. Copy of naval officer's report and correspondence sent by mail. The incident occurred while I was at Lobos Island transferring refugees to [?] and I presumed full report was made [?] my return here.

DAWSON

File No. 812.00/19066

Mr. Arredondo to the Secretary of State

[Translation]

WASHINGTON, July 4, 1916.

MR. SECRETARY: I have the honor to transcribe below the text of a note which I have just received from my Government with instruction to deliver it to your excellency:

MR. SECRETARY: Referring to the notes of the 20th and 25th of this past June, I have the honor to state to your excellency that the prompt liberation of the Carrizal prisoners was a still further proof of the sincerity of the desire of this Government to reach a peaceful and satisfactory settlement of the present difficulties. The Government is anxious to solve the present trouble and any erroneous interpretation given to its attitude would be unjust.

It was also the Mexican Government which earnestly suggested, during the conferences at Ciudad Juarez and El Paso, the plan of establishing cantonments along the boundary. This Government is to-day, as it has always been disposed to seek an immediate solution to the two points which constitute the real cause of the controversy between the two countries, i. e., the American Government, with reason, believes that the insecurity of its frontier is the cause of the difficulty, and the Mexican Government, on its part, considers that the continuance of American troops on Mexican territory, besides constituting an attack on the sovereignty of Mexico, is the immediate cause of the controversy. The two problems, therefore, being the retirement of the American forces on the one hand and the protection of the frontier on the other, their solution should be the direct object of the efforts of the two Governments.

The Government of Mexico is disposed to consider in a rapid, but at the same time practical form and in a spirit of concord, the remedies which may be applied to the present situation.

Certain Latin-American countries have offered their friendly mediation for this purpose, which have been accepted in principle. The Mexican Government, therefore, only waits to know if the Government of the United States would be disposed to accept this mediation for the purpose indicated, or if it still believes it possible to reach the same result by means of direct negotiations between the two Governments.

This Government, meanwhile, intends to use every effort at its disposal to prevent the occurrence of new incidents which might complicate and aggravate the situation. At the same time it hopes that the American Government on its part will use every means to prevent new acts on the part of its military authorities, as well as civil, along the border, which might bring about new complications.

I avail myself of this opportunity to repeat to your excellency the assurances of my very distinguished consideration.

C. AGUILAR

Having thus complied with the instructions of my Government, I am happy to repeat [etc.]

E. ARREDONDO

File No. 812.00/19068

The Secretary of State to Mr. Arredondo

DEPARTMENT OF STATE,
Washington, July 7, 1916.

SIR: I have the honor to acknowledge the receipt of your communication of July 4, 1916, in which you transcribe a note addressed to me by the Secretary of Foreign Relations of your Government, and to request that you will transmit to him the following reply:

MR. SECRETARY: I have the honor to acknowledge the receipt of your courteous note transmitted to me by Señor Arredondo on the 4th instant, in which you refer to my notes of June 20 and June 25, and to assure you of the sincere gratification of my Government at the frank statement of the difficulties which have unfortunately arisen in our relations along the international boundary, and the unreserved expression of the desire of your Government to reach an adjustment of these difficulties on a broad and amicable basis. The same spirit of friendship and of solicitude for the continuance of cordial relations between our two countries inspires my Government, which equally desires an immediate solution of the matters of difference which have long vexed both Governments.

It is especially pleasing to my Government that the *de facto* Government of Mexico is disposed to give quick as well as practical consideration in a spirit of concord to the remedies which may be applied to the existing condition. Reciprocating the same desire, the Government of the United States is prepared immediately to exchange views as to a practical plan to remove finally and prevent a recurrence of the difficulties which have been the source of controversy.

Accept, Mr. Secretary, the renewed assurances of my highest consideration.

ROBERT LANSING

I am [etc.]

ROBERT LANSING

File No. 812.00/18669

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, July 7, 1916, 4 p. m.

In district court at Laredo this morning Captain Norberto Pessot, one of the three Mexicans being tried for an attempt to burn the railroad bridge at Webb on the night of June 11, made the following statement to the representative of the Mexican Consul before the officers of the court:

I am a member of the Constitutionalist Army. I am not a bandit. I came here obeying superior orders. I was under the command of a superior officer. I want the Government that furnished me arms to protect me. If the Government of my country for which I did this will not protect me, my conscience will be clear and I will abide by the laws of this State.

This is additional evidence that I was correct in my original assertion that the de la Rosa gang were recruited by the Carranza Government and were commanded by Carrancista officers.

GARRETT

File No. 812.00/19039

Mr. Arredondo to the Secretary of State

[Translation]

WASHINGTON, July 12, 1916.

MR. SECRETARY: I have received instructions from my Government to deliver the following note to your excellency:

MR. SECRETARY: I have the honor to refer to your excellency's note dated the 7th of this month forwarded to me by our Confidential Agent, Licenciado Eliseo Arredondo, and in so doing I beg to say that I have received instructions from the Citizen First Chief of the Constitutionalist Army, in charge of the Executive Power of the Union, to suggest through you to the Most Excellent the President Mr. Wilson the idea of appointing three commissioners to represent each one of our Governments to the end of holding at such a place as may be designated conferences and therein arriving at an early solution of the question relative to the evacuation of the American forces at present in Mexico, the drafting and approval of a protocol or convention for the reciprocal crossing of forces into either country, and also tracing to their source the incursions that have taken place up to date so as to be able to fix the responsibilities and finally settle the differences that are now pending or may arise between the two countries from this or a like cause; all of which to be subject to the approval of both Governments.

The Mexican Government proposes that the conferences above referred to follow their course in a spirit of the most sincere cordiality and with the earnest desire to arrive at a satisfactory settlement worthy of both countries, bearing in mind that if the suggestion herein offered should be accepted by the Government of the United States that should be the foremost recommendation to be made to the representatives that it appoints.

The Mexican Government considers this to be the most effective means of attaining the desired end and hopes that the Government of the United States may be pleased to declare whether it accepts the suggestion so as to put it into immediate practice, and send forthwith the names of the persons designated as representatives by the Government of Mexico.

Will your excellency deign to accept on this occasion the assurances of my most distinguished consideration.

AGUILAR,

Having [etc.]

E. ARREDONDO

File No. 812.00/18756a

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, July 13, 1916, 8 p. m.

200. Mexican Government yesterday proposed nomination of three commissioners by each Government to decide at once the question relating to the evacuation of American forces in Mexico, and the preparation of a referendum agreement relating to reciprocal crossing of the frontier by forces of both countries as well as the determination of the origin of the incursions to date, fixing the responsibility therefor, and definitely settling the difficulties now pending or those which may arise between the two countries on this or a similar account.

Department will keep you advised.

POLK

File No. 812.00/18666

The Acting Secretary of State to Special Representative Rodgers

DEPARTMENT OF STATE,
Washington, July 13, 1916.

SIR: The Department is in receipt of the following telegram, dated June 21, ten p. m., from the American Vice Consul at Mazatlan, Mexico. [See next instruction of July 15, 1916.]

Under date of July 3, 1916, the Acting Secretary of the Navy wrote the Department on the subject communicating a message from Admiral Winslow, reading as follows:—

Report received this morning from Commander Kavanaugh covering Mazatlan incident. The evidence is conclusive that uniformed officers of the Mexican army and Mexican soldiers, without the slightest provocation, opened fire on U. S. S. *Annapolis* boat. I approve action of boat in returning fire. Commander Kavanaugh's action in withholding fire from the ship's battery because of the certainty of killing noncombatants, and possibly Americans and foreigners, was good judgment. Prisoners would undoubtedly have been murdered had he bombarded. The outrage was wholly unprovoked, and I believe it to be a far more serious affront than the Tampico affair. The self control and temperate action of Commander Kavanaugh prevented a situation which might have been the cause of immediate war.

You are instructed to bring the foregoing to the attention of the *de facto* Government of Mexico, and to request that a full and searching investigation be made of this brutal attack upon American naval forces. You will also request that the Mexican officers and soldiers responsible for this serious affront be adequately dealt with by the proper authorities, pointing out that leniency in this case may lead to other unprovoked attacks upon American naval forces that may hereafter visit Mazatlan.

You are directed to make known to the *de facto* Government that the Government of the United States must insist on adequate action being taken in this matter and that it desires to be informed of the steps the Mexican authorities propose to take in connection with this regrettable affair.

I am [etc.]

FRANK L. POLK

File No. 812.00/18666

The Acting Secretary of State to Special Representative Rodgers

DEPARTMENT OF STATE,
Washington, July 15, 1916.

SIR: After the mailing of the Department's instruction to you, dated the 13th instant, on the subject of the attack by Mexican officers and soldiers, at Mazatlan, on the 18th ultimo, on two officers and three seamen in a boat sent out from the U. S. S. *Annapolis*, a confirmation copy of the telegram quoted in that instruction reached the Department, which differs somewhat from the one quoted. The correct reading is as follows:—

Last Saturday Governor issued a proclamation war will be declared against United States. People excited. Last Sunday commander *Annapolis* sent boat three seamen two officers send word Vice Consul and Americans come aboard. Reaching wharf officers invited land by Mexican authorities, immediately arrested. Boat pushed off, fired on by Mexican soldiers, seaman

wounded who died. Seamen returned fire wounding three. Authorities detained officers until after strenuous protest, were released, lives in peril for time. Authorities powerless in crisis. They advise Americans leave. Dangerous live Mazatlan. Request permission close Consulate. Code received last night.

I am [etc.]

FRANK L. POLK

File No. 812.00/18703

The Acting Secretary of State to Special Representative Rodgers

[Extract]

DEPARTMENT OF STATE,

Washington, July 17, 1916.

SIR: Referring to the subject of the arrest of two officers of the U. S. S. *Annapolis* and the firing on seamen from that vessel by Mexican soldiers at Mazatlan, I enclose herewith, for you information, a copy of a report on the subject by Mr. A. Gordon Brown, the American Vice Consul in Charge at Mazatlan.²³

You will make discreet use of the information contained in Mr. Brown's report.

I am [etc.]

For the Acting Secretary of State:

ALVEY A. ADEE

File No. 812.00/18749

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, July 19, 1916, 5 p. m.

229. Matters very quiet.

Foreign Office anxiously awaiting American reply to conference proposal. No change in Mexican attitude observable. Please keep me informed.

RODGERS

File No. 812.00/18749

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, July 20, 1916, 4 p. m.

222. Your July 19th, 5 p. m. After considering the Mexican proposals outlined to you in Department's July 13, the President desires and deems it highly important that the scope of the inquiry be broadened, and the Department has suggested that this should be done by the addition of a clause which would enable the Commission to consider such other pending questions the settlement of which would tend to improve the relations of the two countries. It seems to be feared by the *de facto* Government that such an addition might interfere with the speedy settlement of the border difficulties and questions relating thereto. The Department has asked Mr. Arredondo to make clear to General Carranza that it is no less the

desire of this Government that the border question should be the first one to be taken up and settled by the Commission; and in case these negotiations issue satisfactorily, a public announcement to that effect will be made.

POLK

File No. 812.00/19039

The Acting Secretary of State to Mr. Arredondo

DEPARTMENT OF STATE,
Washington, July 28, 1916.

SIR: I have the honor to acknowledge the receipt of your communication of July 12 last, in which you transcribe a note addressed to me by the Secretary of Foreign Relations of your Government, and to request that you will be good enough to transmit to him the following reply:

MR. SECRETARY: I have the honor to acknowledge receipt of your excellency's note transmitted under date of July 12 by Lic. Eliseo Arredondo, your Government's confidential agent in Washington, informing me that your excellency has received instructions from the Citizen First Chief of the Constitutionalist Army charged with the Executive Power of the Union to propose that each of our Governments name three commissioners, who shall hold conferences at some place to be mutually agreed upon and decide forthwith the question relating to the evacuation of the American forces now in Mexico, and to draw up and conclude a protocol or agreement regarding the reciprocal crossing of the frontier by the forces of both countries, also to determine the origin of the incursions to date, in order to fix the responsibility therefor and definitely to settle the difficulties now pending or those which may arise between the two countries on account of the same or a similar reason; all of which shall be subject to the approval of both Governments.

In reply I have the honor to state that I have laid your excellency's note before the President, and have received his instructions to inform your excellency that the Government of the United States is disposed to accept the proposal of the Mexican Government in the same spirit of frank cordiality in which it is made. This Government believes, and suggests, however, that the powers of the proposed Commission should be enlarged so that, if happily a solution satisfactory to both Governments of the questions set forth in your excellency's communication may be reached, the Commission may also consider such other matters the friendly arrangement of which would tend to improve the relations of the two countries; it being understood that such recommendations as the Commission may make shall not be binding upon the respective Governments until formally accepted by them.

Should this proposal be accepted by your excellency's Government, I have the honor to state that this Government will proceed immediately to appoint its commissioners, and fix, after consultation with your excellency's Government, the time and place and other details of the proposed conferences.

Accept, Mr. Secretary, the assurances of my highest consideration.

FRANK L. POLK

I am [etc.]

FRANK L. POLK

File No. 812.00/19039

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, July 28, 1916.

249. The Department has to-day handed to Mr. Arredondo for transmission a reply to Aguilar's note of July 12 stating: [Résumé of Mr. Polk's note to Mr. Arredondo of July 28, 1916 follows.]

Explain to the Foreign Office that the President hopes that the Mexican Government will see clear to accept our suggestion. He intends to appoint men of the highest rank and standing in the country and feels that if, as he hopes, a satisfactory solution of the present difficulties should be arrived at, it would be distinctly advantageous to have it arranged beforehand that the Commission might consider other matters tending to improve the good relations between the two countries.

POLK

File No. 812.00/18822

Special Representative Rodgers to the Secretary of State

[Telegram—Extract]

MEXICO CITY, July 29, 1916, 5 p. m.

247. In reply to Department's 249, July 28, 5 p. m. Foreign Office distinctly pleased by note through Arredondo and in reply to Mexican note July 12. Stated to me proposition regarded favorably and would be presented to General Carranza at once for speedy reply. Explained matter thoroughly.

Saw Cabrera also and discussed matter. He also was pleased but intimated General Carranza might desire to know the nature of the subjects proposed for discussion after settlement main issues as suggested by Mexican Government. However, he reiterated willingness General Carranza to have Commission discuss other subjects secondarily and said he would endeavor to have satisfactory assurance to that effect given.

He told me that in the event of American Commission having one military member General Trevino would probably serve on Mexican Commission.

They are evidently very anxious for conference and will do much rather than have it abandoned.

RODGERS

File No. 812.00/19039

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, August 1, 1916.

260. Referring to Department's 249, dated July 28, 5 p. m. The Department is informed unofficially that the Mexican Government hesitates to accept the suggestion contained in our note because it fears that this Government might endeavor to bring before the Commission, first, cession of Mexican territory; and second, claims against the Mexican Government. If this information is correct, you will assure Minister for Foreign Affairs that this Government has not, and never had, intention of allowing the question of cession of Mexican territory to come before the Commission in any way and that it has no intention of laying before this Commission any pecuniary claims against the Mexican Government.

POLK

File No. 812.00/18980

Mr. Arredondo to the Secretary of State

[Translation]

WASHINGTON, August 4, 1916.

MR. SECRETARY: I have the honor to transcribe to your excellency the following note which I have just received from my Government:

MR. SECRETARY: In due response to the polite note of the Department of State dated the 28th of July last, I have the honor to inform your excellency that the Citizen First Chief of the Constitutionalist Army charged with the Executive Power of the Mexican Republic congratulates himself upon the praiseworthy efforts of the American Government to reach a solution of the existing difficulties between the two countries, and to that effect, considering the prompt settlement of the points which have given rise to the existing difficulties between the United States and Mexico to which the note of the Mexican Government dated July the 4th refers, to be of the greatest importance, has deemed it well to designate at once a Commission of three persons, composed of Messrs. Lic. Luis Cabrera, Engineer Ignacio Bonillas, and Engineer Alberto J. Pani, to whom he has already transmitted his instructions in the sense that they should dedicate preferentially their attention to the settlement of the points stated in the former note of this Department.

Mr. Eliseo Arredondo is authorized to treat with the Department of State the details relating to the place and date at which the Commissioners of the Mexican Government shall meet with the Commissioners of the American Government in order to commence their labors.

I reiterate to your excellency the assurances of my highest consideration.

C. AGUILAR,
Secretary of Foreign Relations

I take [etc.]

E. ARREDONDO

File No. 812.00/18949a

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, August 15, 1916, 1 p. m.

293. Please communicate at once to General Carranza that the delay in appointing Commissioners for the Joint Commission is due to the fact that most of the men of the caliber and prominence which this Government desires in its Commissioners are so engaged as to prevent their acceptance of appointment; that the President prefers delay rather than to appoint men who are not of the highest standing in the United States; and that it is hoped the appointments will be announced within a few days. You may also express the hope that the Mexican Government will appreciate the wisdom of the President's course and will not misconstrue the delay which has taken place in the selection of the United States Commissioners.

LANSING

File No. 812.00/18958

General Funston to the Secretary of War

[Telegram]

FORT SAM HOUSTON, August 15, 1916.

2448. Following received from General Pershing:

Through information received from Mexican prisoners who participated in Columbus, N. M. raid, names of 60 Villa bandits from the vicinity of Namiquipa,

Cruces, San Geronimo and Bachinova who accompanied Villa to Columbus, N. M., have been obtained. These include fourteen previously surrendered to civil authorities at Madera whose surrender was demanded of General Gavira at my conference with him. The list includes eight officers. The proof against all of them would be conclusive before any court in the United States. Since the arrival of the Carranza garrison at Namiquipa, Colonel Diaz, the commander, has granted amnesty to all these outlaws and they have returned to their homes. This action can only be regarded as a direct approval by the *de facto* Government of their offenses, and in defiance of efforts of this expedition. It is recommended that a strong representation be made in this matter, accompanied by a demand for the capture and surrender to the American forces of these men as a preliminary to negotiations between the two Governments. A large proportion of these outlaws would have been captured by our troops but for the open opposition of both civil and military *de facto* officials.

FUNSTON

File No. 812.00/18609

The Secretary of State to Mr. Arredondo

DEPARTMENT OF STATE,
Washington, August 16, 1916.

SIR: In reply to your letter of June 28, 1916, concerning reports that United States troops under the command of General Pershing had arrested about 300 inhabitants of La Cruz, Mexico, and that Apaches attached to General Pershing's forces had committed outrages in Mexico, I quote below, for your information, a letter, dated August 11, 1916, from the Secretary of War, relative to the reports mentioned:

Referring further to your letter of July 1, 1916, with which you inclosed a copy of a letter from the local representative of the *de facto* Government of Mexico relative to the alleged arrest of certain inhabitants of La Cruz, Mexico, by troops under the command of General Pershing, and relative to alleged outrages by Apaches attached to the punitive expedition, I beg leave to quote for information, the following report on the subject by General Pershing, which report was forwarded to this Department by the Commanding General, Southern Department:

The only way fittingly to characterize such reports as this, is to say that they are absolutely false in every respect. During the retirement of our forces to El Valle, from southerly points, including San Geronimo, there was not one single instance of misbehavior on the part of our troops, scouts or employees attached to the command. These charges were made at the time by local Carrancista commanders for the purpose of inflaming the Mexican people against us. The reports reached my headquarters a few days after they were circulated and I satisfied myself then of their falsity.

At no time have the inhabitants of La Cruz or any other town been mistreated in any way either individually or collectively. Troops of this command have been fired on frequently by Villistas or other bandits and they have arrested the perpetrators, but no one else has been molested and none at any time mistreated.

I am [etc.]

ROBERT LANSING

File No. 812.00/20447d

*The President to Mr. Franklin K. Lane, Secretary of the Interior.*²⁴

THE WHITE HOUSE,
Washington, August 31, 1916.

SIR: I desire to express my sincere appreciation of your willingness to act as one of the three special commissioners of the President of the United States to discuss with the commissioners of the *de facto*

²⁴ Same, *mutatis mutandis*, to Mr. George Gray and Dr. John R. Mott.

Government of Mexico the settlement of the questions arising out of the Mexican situation, and to make known to you my earnest hope for the success of your conferences with the other members of the American-Mexican Joint Commission.

In order that this letter may serve as your credential in acting in this high capacity, I announce to all who may read this letter that you are hereby authorized to take part in the conferences of this Commission as a special representative of the President of the United States, and that you are to be regarded as in every way speaking at his request and as enjoying his entire confidence.

Cordially and sincerely yours,

WOODROW WILSON

File No. 812.00/19069.

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, *September 1, 1916, 11 p. m.*

Information from Chihuahua to-night confirmed recent battle at Satevo, but is that Villa defeated the Carrancistas, the Carrancistas losing about two hundred men. Villa drove the Carrancistas north. The unconfirmed rumor is that Villa whipped them again at Santa Ysabel and there seized a military train which he [is] said to have used as far as San Andreas from which point he is said to have gone toward Santa Clara Canyon.

COBB

File No. 812.00/19093

Special Commissioner Lane to the Secretary of State

[Telegram]

NEW LONDON, *September 6, 1916, 10 p. m.*

Joint Commission met this morning and remained in session three hours. Cabrera submitted interesting information concerning present conditions in Mexico, maintaining withdrawal American troops necessary prerequisite to reestablishment of normal conditions in Mexico and that presence of troops arouses distrust of intentions of the United States, and prevents full use of Mexican army for the pursuit of bandits. He stated that instructions of Carranza were first to take up the immediate, concrete and practicable problems, of which withdrawal of troops and border protection were most important, thence to proceed to other international and economic problems involved in Mexican situation. Much interesting information elicited through questions put to Mexican Commissioners by American members. Cabrera goes to Boston this afternoon. Next session will be held Friday morning, at which border situation will be more fully discussed.

LANE

[NOTE.—The Commission held numerous sessions but did not conclude its deliberations during 1916. Report of the Commission will be printed in For. Rel. 1917.]

File No. 812.00/19099

Consul General Hanna to the Secretary of State

[Telegram]

SAN ANTONIO, September 7, 1916, 9 p. m.

Two foreign consuls met me at the international border. I was informed by them and by citizens that de la Rosa is still in Monterey enjoying full liberty and has quite a following some of whom say they still intend to invade Texas whenever opportunity affords.

HANNA

File No. 812.00/18410

The Secretary of State to Consul General Hanna

[Telegram]

DEPARTMENT OF STATE,

Washington, September 19, 1916, 4 p. m.

Silliman telegraphed June 12 from Saltillo that General Ricaut had advised him de la Rosa was under arrest at Monterey and that commander there had been instructed to present him to you for identification.

Telegraph whether such identification by you ever took place and if not whether you have any positive knowledge that de la Rosa was under arrest at Monterey at time indicated, or thereafter.

LANSING

File No. 812.00/19252

General Funston to the Secretary of War

[Telegrams]

FORT SAM HOUSTON, September 20, 1916.

2918. Following received from General Bell:

Evidence increases to show that Villa was completely successful in his attack Saturday upon Chihuahua and accomplished all and more than he said he would do. There is diversity of opinion and statements as to the number of men with which he entered Chihuahua, some accounts state he only had about 500 while others gave him 1,700 but all agree that he was able to secure possession of the penitentiary, the Governor's palace and the Federal buildings and held them for several hours and all this with a Carranza garrison at Chihuahua which no one places at less than 6,000. He liberated over 200 prisoners, secured and carried away more than 16 automobile loads of arms and ammunition and actually took out artillery under an escort of deserting Carranza troops. He left Chihuahua with from 1,000 to 1,500 more men than he entered with. Villa retired leisurely and practically without molestation. The firing by Treviños artillery occurred after Villa troops had withdrawn. On September 14 Treviño received a letter from Villa stating that he, Villa, would be in Chihuahua to shake hands with Treviño on the 16th and he hoped that he would have a suitable reception for him, that he might be hungry and would like to have something to eat. On the 15th of September it is reported that Villa personally entered Chihuahua, was seen by many of his friends there and reconnoitered the city. Of course he was in disguise. On the night of the 15th-16th Villa approached Chihuahua from a camp which he had maintained for two days within 22 miles of that city. After Villa columns had secured position [possession] of the penitentiary the Governor's palace and the Federal buildings Villa himself went into the Governor's palace, went to the main balcony, displayed his face and made a short speech which in substance was as follows: "Viva Mexico! You do not have your liberty; I will give you your

liberty for I am your brother. I am going to return in a few days." It appears there had been a banquet attended by most of Treviño's officers and that about two o'clock this banquet was finished and most of the officers of the Carranza garrison were asleep. As soon as Treviño heard of the trouble he started towards the Governor's palace but his personal escort deserted him and went over to Villa. The party that attacked the Federal building rode into the building on horseback and the guard there deserted to them. It is reported that many of the Carranza troops who were killed were killed by other Carranza troops probably as a result of artillery firing from Santa Rosa hill. Copy to Pershing.

FUNSTON

File No. 812.00/19439

FORT SAM HOUSTON, *September 25, 1916.*

2984. Following received from General Bell:

The following report was obtained from an American ranchman who arrived from Chihuahua to-day. He is reliable and a man of standing as is shown by the fact that he was able to obtain an interview with Treviño. He says that Villa personally entered Chihuahua and directed his men and that they simultaneously attacked the Federal buildings and all the military cuartels, that they were in Chihuahua from 2.30 a. m. until 10 a. m. and fighting all the time. That most of the prisoners and many of the townspeople went out with him when he left and that they took large quantities of ammunition, that there were about 100 Villistas and 300 Carrancistas killed, that after leaving Chihuahua Villa and his men went to San Andres and killed the commanding general and some of his men there and that the balance of the men joined him, that General Cavazos went out of Chihuahua with about 280 men to rescue the garrison at San Andres and that Villa's men attacked him at Santa Yzabel and General Cavazos returned with only 4 men, as Villa had killed 2 captains and the remainder of the force. General Ramos left Chihuahua yesterday with 600 men over the Northwestern to fight Villa. Villa blew up the large steel bridge over the San Andres river. Villa is accredited with having over 1,500 men and men from the whole mountain country are flocking to him and he is getting stronger every day while the majority of the people in Chihuahua are pro-Villistas. General Treviño told him yesterday that conditions are very serious, also talked with General Cavazos and thinks it only a matter of days when Villa will attack Chihuahua again. He says that General Salazar and Colonels Selvestri Devedo and Tino and all the important prisoners went with Villa.

FUNSTON

File No. 812.00/19396

Mr. Siller to the Secretary of State

WASHINGTON, *September 26, 1916.*

YOUR EXCELLENCY: Pursuant to your request to Mr. Arredondo before his departure for Mexico yesterday, I have the honor to inform your excellency that from the telegraphic advices received at this Embassy from official sources in Mexico, relative to the recent attack on the City of Chihuahua by so-called Villa raiders, it appears: That the assault took place between the hours of 3 and 4 in the morning of the 17th instant, after the Independency festivities beginning in the evening of the 15th and ending at midnight of the 16th; that the forces attacking the city, although called Villistas, were made up by remnants of all the parties which have opposed the Constitutional Government from the beginning, that is to say, by men formerly belonging to the Federal Army of Porfirio Diaz, by members of the Felix Diaz faction, of the Huerta spurious administration, by robbing Villistas and bandits without

political color; that the number of the raiders was between six and seven hundred men at the most; that they succeeded in capturing the Federal palace and the penitentiary, releasing some of its occupants; that they were able to hold both places during two or three hours, just the time required by General Treviño to organize his forces and carry into effect an enveloping movement, the result of which was of a disastrous effect to the raiders, two-thirds of whom were killed, wounded or captured, only one-third escaping, closely chased by Treviño's cavalry and forced to disband in small numbers; that they did not carry with them any ammunition from the arsenal, first, because whatever supply of arms and ammunition the Government had in the city were in possession of the garrison and not in a separate and unguarded place; that no cannon were captured and carried away by the raiders, as it would have been impossible for them to do so while they were being closely chased by the Government forces; that with the exception of a few civilians, who might have followed the raiders, not a single soldier of the Constitutionalist Army joined them in their precipitated flight from the city; that no one has been able to say, accurately and positively, that Villa was in command of the attacking forces, nor that he has been seen at any point in or out of the city during the attack. As the raiders in their effort to escape from the troops sent by General Treviño in their pursuit divided into small bands, it is difficult to say exactly which road they have taken.

All the reports we are receiving from Chihuahua and Mexico indicate that everything in that region is quiet and that there is no fear that Chihuahua City may again be attacked.

I avail [etc.]

A. M. SILLER

File No. 812.00/19640

Consul Dawson to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Tampico, October 24, 1916, 2 p. m.

Revolutionists becoming very active south and west of Tampico. Reported to have captured and looted Ozuluama and defeated *de facto* troops near Grandler English petroleum well at Potrero, from whence Englishmen were warned away a week ago by Carranza troops. Rebels lately raided (?) and threatened Panuco.

All reports agree country is passing into worst state of anarchy yet known, with Government more impotent than ever to prevent it. It is believed now is opportune time to augment our naval forces here to meet any emergency.

DAWSON

File No. 812.00/19819

General Funston to the Secretary of War

[Telegrams]

FORT SAM HOUSTON, October 24, 1916.

3447. Following just received from General Bell, El Paso:

Code message just received from Chihuahua states that Carrancistas were defeated by Villistas yesterday and that people in Chihuahua are badly fright-

ened. Information this morning from another source indicates that Villistas are already in the suburbs of Chihuahua. Two men taken by Villistas on September 26 claim that Villa has 2,000 armed men and 1,500 unarmed as he has gathered up all men in the Guerrero district. They also claim that Villa hunted around Namiquipa for munitions which had been cached away but was unable to find them. Probably these were the arms found by the American troops. These two men say that Villa in his speeches states that he is going to drive the Carrancistas out of Chihuahua. They also say that Villistas have no corn, no flour, no beans and are living on meat only, killing beeves wherever they can be found. All are mounted, even those without arms, some on horses, others on mules and yet others on burros.

General Pershing furnished above.

FUNSTON

File No. 812.00/10756

FORT SAM HOUSTON, *October 25, 1916.*

8456. Following received General Pershing dated October 24:

Villa in control of all towns from Bustillos west to Madera and all territory as far north as Namiquipa and Santa Clara and probably east to railroad. Carrancista detachment of 100 men at Cruces to-night. Deserters say Villa still threatens to make attack on Americans as soon as he gets more men and equipment.

FUNSTON

File No. 812.00/19867

General Pershing to General Funston

HEADQUARTERS PUNITIVE EXPEDITION, U. S. ARMY,
In the Field, Mexico, November 2, 1916.

1. Referring to my letter of October 21,^s information that comes in from many sources, several brief reports of which have been forwarded by telegraph from time to time,^s seems to confirm the opinion that the Carrancista Government, as at present conducted, is wholly unable to put down banditry in the State of Chihuahua. Villa's prestige continues to grow, and his numbers are increasing. It is known that he is coercing natives to follow him, but men so impressed would probably not remain with him if there were any other alternative. When Villa recently resumed activities, the people in towns along the Northwestern Railroad, including Madera, Guerrero and other towns in that section, sent word through their leaders to the *de facto* Government that they would gladly take up arms and help the Government against him if supported, but no notice was taken of their offer. The rural people of Chihuahua naturally wonder why the Carrancista Government does not send some of their ablest officers north to command and clean things up. It is almost the general opinion among the people that if this were done Villa would not last long. To an observer here on the ground, it is inconceivable that the *de facto* authorities should not know the inefficiency, if not disloyalty, of their commanding officers in Chihuahua and apply the remedy.

2. One of Villa's generals has recently issued a manifesto, copy enclosed, which explains itself. It was found on Garcia, now a prisoner of the Carrancistas. This would seem to confirm the view that he is receiving support from the Legalista party. Villa is working

^s Not printed.

south with approximately 1,000 armed men, presumably with Jimenez as objective. He is said to have been in command at the Carmargo fight. His command is not well mounted, and has very little ammunition. He gathered up many horses both north and south of the railroad and has taken quantities of supplies from the people in that section. The territory, included in the Guerrero Valley through which he has been operating, is reported to have good crops, corn and beans being plentiful.

3. The local Carrancista commanders are doing little or nothing to save their country from the ravages of this bandit. The fact that these northern commanders, including Treviño at Chihuahua, Gonzales at Juarez, Dias at El Valle and Cortina at Madera, do not appear to want peace established. They undoubtedly form a clique to run things in Chihuahua themselves. They collect the taxes and dispose of the products of the mines and ranches for their own benefit. They make only a flimsy pretense of hunting bandits, as numerous incidents prove. In fact, there are many rumors that the commanding officer at Juarez and the troops under him are only awaiting an opportunity to turn over to the Legalistas.

4. The *de facto* troops in Chihuahua are variously estimated at from 3,000 to 9,000, the former number probably being more nearly correct. It is safe to say that of these but a small proportion would remain loyal to the Carrancista Government, as they are poorly paid and are short of provisions and clothing. An intercepted radio message sent by Treviño to Obregon stated that the troops were suffering for want of blankets, 10,000 blankets were asked for, but Obregon answered that the contractor had been unable to furnish them.

5. In view of the conditions it certainly does not appear probable that the Carrancistas can restore anything like order. If further operations on our part should be contemplated, the occupation of the City of Chihuahua by the larger part of this command would be very advantageous, as it would bring us much nearer the theater of operations. It would probably not be difficult now to occupy Chihuahua City, as there could be little opposition on the part of the *de facto* troops, while the populace would doubtless welcome us.

JOHN J. PERSHING

[Inclosure—Translation]

PROCLAMATION—LEGALISTA PEACE PARTY

The Legalista Peace Party emanates from a union of the three factions viz, Zapatista, Villista and Legalista. The three parties, in their unity proclaim a government of the people arising from national sovereignty and for this reason the movement is denominated the Legalista Peace Party. Peace will come from unity; legalism will come from a legally constituted government and complete triumph will be reached through the unanimous protest of the people against the illegality and anti-patriotism of the Government of Carranza, who remains in power by brute force, supported by the protection afforded him by a foreign government, and who by his bastard ambition, compromises our patriotic soil as well as the nation. The foreigners have taken advantage of the anti-patriotic sentiments of Carranzaism, and we have not only suffered an insupportable crisis because his money has so depreciated and the public credit been lost, but the ambition of the *Gringos* in the valley of San Buenaventura in the State of Chihuahua has ignored Carranza and his followers. Recall the stanzas of our patriotic national hymn.

Poor Country!

Fellow Citizens—Let us recall the worthy Juarez and repel the invasion and the protection of the foreigners; that the protectorate would carry us to humiliation as it did to Cuba. Let us recall that the wise legislators of reform bequeathed to us a political constitution; blessed labor which cost streams of blood. Brothers: The sacred law has been trampled on by Carranza! Let us recall Hidalgo, the leader without equal who bequeathed to us a free mother country which by the permission of Carranza we see desecrated by the *Gringos*, and day by day they threaten us. And who brought them? Carranza! And why did they come? Because of his impotence; because of his incapacity; because of his unfitness. and, in order to dominate his political enemies and the defenders of the people. Who are the defenders of national honor? Zapata and Villa. What are the proofs? Their constancy in their struggle for the people, their loyalty to the cause of 1910; their immaculate patriotism and self-abnegation in the strife for the elevated principles proclaimed in their motto: Reform—Liberty—Justice and Law. To arms compatriots! Carranza is the invader! Down with bad government!

GENERAL FRANCISCO G. REINA
COLONEL R. GARCIA

File No. 812.00/19778

The Acting Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, November 7, 1916, 4 p. m.

530. Department has received reliable report from Chihuahua City, forwarded to El Paso by messenger and relayed thence to Washington by telegraph, to the effect that conditions at Chihuahua City are "grave and critical" and that British and American communities ask whether protection can be expected for their lives and interests.

Immediately bring foregoing to personal attention of General Carranza, and urgently request him to exert every effort to protect the lives and interests of foreigners in Chihuahua City; also urge him to give positive instructions to General Treviño that, in case the latter is unable to safeguard the lives and interests of foreigners in Chihuahua City, Treviño so advise them, in order that they may withdraw from the city before actual danger from Villista bandits threatens them.

Request to be informed of action taken.

OSBORNE

File No. 812.00/19849

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, November 13, 1916, 9 a. m.

Tension in Chihuahua temporarily relieved by apparent retirement of Villa toward Urado line. Developments there hanging

upon promptness of arrival of Murguia troops and establishment of communication with south. Developments in Juarez hanging upon financial ability of new party to buy garrison.

COBB

File No. 812.00/19848

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, November 13, 1916, 9 a. m.

Confirmation of reports that General Francisco Murguia with 6,000 *de facto* troops is advancing north of Escalon was brought to border by an American citizen arriving Sunday. He reports *de facto* forces are arriving in considerable numbers at Torreon from south and are being rushed to front as quickly as possible. General Murguia is commanding operations. Just prior to leaving Torreon last Friday fighting was reported in progress north of Escalon between outposts indicating Villistas are in charge of Jimenez and probably several towns north of there. On Thursday a Chinaman arrived in Torreon from Jimenez having left there several days before in order to escape execution by Villistas. Chinamen brought news that thirteen Chinese, two Arabs and one American were killed by Villistas upon their entry into Jimenez and that foreigners were being shown no mercy by the bandits. While nothing authentic is known in Torreon as to operations north of Escalon it is believed there that Villistas are still occupying the towns of Parral, Santa Rosalia, Jimenez and Santa Barbara.

Informant states *de facto* forces are repairing railroad track and telegraph wires as they advance, that it will probably be some time, in the event they are successful, before any information will be obtained regarding Parral. Immediate vicinity Torreon reported quiet and no fear exists of attack on that city by bandits. Consulate has had no later telegrams from General Murguia regarding Americans reported killed at Parral nor is it believed Murguia has occupied Parral as he advised Consulate on Friday last.

BLOCKER

File No. 812.00/19870

The Secretary of State to Consul Edwards

[Telegram]

DEPARTMENT OF STATE,

Washington, November 13, 1916, 6 p. m.

Department informed a number of foreigners, including a British subject, have been massacred at Jimenez and Santa Rosalia, Chihuahua.

Immediately inform local authorities at Piedras Negras, and request them to assist you in obtaining definite information.

LANSING

File No. 812.00/19853

Vice Consul Blocker to the Secretary of State

[Telegrams]

EAGLE PASS, *November 13, 1916, 9 p. m.*

The following telegram received from British Vice Consul Patrick O'Hay at Torreon in reply to Consulate's telegram of this morning:

No accurate knowledge conditions and events beyond Bermejillo where advance north being prepared with heavy reinforcements. Three Chinese survivors of ten who fled Jimenez report all compatriots massacred there, also Arabs, Spaniards, Japanese. Mental condition of refugees compels reserve in accepting statements although probably correct in general terms. One American or Englishman, alleged name Clark, reported absent at Jimenez.

PATRICK O'HAY

BLOCKER

File No. 812.00/19872

EAGLE PASS, *November 15, 1916, 5 p. m.*

My November 13, 9 p. m. Confirmed reports received this morning of presence of Villistas near Cuatro Cienegas having come by rail from Escalon to Sierra Mojada thence across country. Carranza garrison at Cuatro Cienegas have fallen back to Puerto del Carmen twenty miles from Monclova and civil authorities with prominent sympathizers are now in Monclova. Villistas as far as known have not yet entered Cuatro Cienegas but are expected to do so daily. General populace all over district considerably alarmed fearing Villistas may possibly cut railroad and attempt to capture coal mines as well as Piedras Negras. Conferred with Mexican military authorities this morning who state that it is possible Villistas may enter Cuatro Cienegas but do not believe an attempt will be made to proceed further on account of small strength of force. Authorities have requested reinforcements from Saltillo and soldiers at Ojinaga and Boquillas are being drawn in to reinforce Monclova garrison. No late reports from Torreon. Passenger train from Saltillo arrived last night but brought no passengers in from Torreon.

BLOCKER

File No. 812.00/19984

EAGLE PASS, *November 30, 1916, 4 p. m.*

The following telegram received by Collector Customs to-day from Deputy Collector, Presidio, Texas, opposite Ojinaga:

Mexican Consul states Villa captured Chihuahua. Portions or all Carranza army fleeing to Ojinaga. Pursuit likely. Six cases typhus fever in Ojinaga. If conflict results, these will try to cross in concert with military.

Authorities at Piedras Negras also express belief that Villa has Chihuahua and Treviño fleeing toward Ojinaga. Last night telegraph wires were busy sending long code messages to Juarez, and authorities noncommittal but openly expressing belief that Villa was gaining over *de facto* forces in Chihuahua. General Murguia somewhere near Jimenez and very short of ammunition. Passenger train arrived to-day, but no passengers aboard from Torreon.

BLOCKER

File No. 812.00/20044

General Funston to the Secretary of War

[Telegrams]

FORT SAM HOUSTON, December 2, 1916.

3838. Following received from General Bell dated November 30:

A Carranza colonel who arrived this morning from Chihuahua said that the shell fire from Santa Rosa Hill set many houses on fire and that from 300 to 500 citizens were killed in their homes, that the Villistas in entering Chihuahua had for their war cry "Viva Villa and death to the gringos!" He believed from what he heard before he left that there was a wholesale murdering of the Chinese. He said that Villa would have taken Chihuahua on Sunday if it had not been for the report that Murguia was close at hand with reinforcements. He also said that a large number of the officers deserted their commands and ran panic stricken through the streets, leaving their underofficers and men to shift for themselves. The Mexican officers coming from Sauz say that all of the cavalry was still there and that the horses as well as the men were in very bad condition, as there was a scarcity of both food and forage, and that many of the soldiers are deserting in every direction and that the officers and those who are loyal are having a hard time to hold the men. A large bunch of men had been brought in who had attempted to desert to the west. Mexicans who arrived on this morning's train say that a lot of people are coming to Sauz from Chihuahua on foot and that some of them had arrived before they left Sauz. A troop train arrived at Juarez at 2.30 a. m., on the Central with about 300 infantry. Another troop train arrived at 3.30 a. m., with 21 cars, 350 soldiers, 300 women, children and others passengers, about 75 of them wounded. There were also a number of the Chihuahua police force on this train. On Wednesday, the 29th, General Ozuna with about 500 men went with a train to within about ten miles of Chihuahua and was there fired on by the Villistas and immediately returned. A Chinaman who left Chihuahua on the night of the 28th says that he was living in the Chinese quarter and that when the Villistas first came into that quarter they did not kill very many of them but sacked and robbed them of everything of value. However the Villistas returned later on and out of 27 Chinamen he was the only one that was not killed; that instead of shooting the Chinamen they beat out their brains with guns and clubs. He made his way here via Sauz. He also said that on Monday morning, the 20th, all of the principal Chinese in Chihuahua went to see German consul and asked him to ask General Treviño for a special train with a guard to bring them to the border at Juarez; that they had done this as they had received a telegram from their representative in Juarez advising them to come to Juarez immediately as he had received information that Villa was going to attack Chihuahua and there would be a massacre of the Chinese. The German representative went to General Treviño and asked him for a train and escort for these Chinese and when he returned he said that General Treviño said he could furnish them a train but that there was no need for them to get nervous as he was perfectly able to defend Chihuahua. The German representative further said that in case Villa did come to Chihuahua he would give them protection as the representative of the Germans. When the battle began the Chinese tried to find the German representative but could not do so and therefore were left without his protection. Another Chinaman coming in on the same train said that he was a gardener and lived on the outskirts of the city and that there were about 35 of them there. That the Villistas came about ten o'clock at night and broke down the door and murdered his countrymen with the butts of their guns and clubs just as if they were a lot of dogs and then sacked the house and set it on fire. He stayed in hiding two days without anything to eat or drink before he could escape. Another Chinaman said he lived in a house where about 20 of them had gathered and that only 3 of them escaped.

About 40 Chinamen came in this morning on the train and they passed 14 more near Laguna who were walking along the track, but the train was so heavily loaded that the train crew refused to allow them to get on.

FUNSTON

File No. 812.00/20044

FORT SAM HOUSTON, *December 2, 1916.*

3839. Following received from General Bell dated December 1:

The following is reported by one of my most reliable informants after he had talked with a number of people, Army officers, civilians, police officers, Chinese and Turks that have reached Juarez from Chihuahua. They all tell practically the same story of the capture of Chihuahua. Villa entered the city on Thursday the 23d at about 9 a. m., and fought all that day breaking down some of the entrenchments. He left after nightfall and renewed the attack at daybreak Friday morning, going into some of the principal streets but again retiring after nightfall. On Friday night about 12 o'clock he again attacked, penetrating farther into the city. The fighting continued all day Saturday, Saturday night and all day Sunday and Sunday night and before daylight on Monday morning he stormed Santa Rosa Hill and taking it by assault turned Treviño's guns upon his own men. When this became known by Treviño and his men they became panic stricken and left the city, Treviño with his staff being the first to leave. When the other officers went to military headquarters they found that General Treviño had fled. They too then began to leave the city, leaving their commands without any officer to direct them and a great many of the men threw down their arms and joined the Villa forces. General Oszna with most of cavalry came north along the railroad and a number of the infantry officers took the trains that were waiting at the depot with the artillery on board and fled north also, and with them a few citizens and foreigners, mostly Chinese. They were the ones who were running the restaurants around the depot. One Turk who came out said that a Mr. Brittingham and a number of other foreigners were at the depot trying to get on the train but the train that the Turk was on was already overloaded and Mr. Brittingham said, "Well we will get on the next train." As the other train never came the fate of Mr. Brittingham and other foreigners that were left standing in the depot is not known. There were supposed to have been 1,000 Chinese in Chihuahua and of this number about 300 have arrived in Juarez, leaving about 700 to account for. Three Chinese who were interviewed reported the death of over 80 to their positive knowledge and they also stated that an order had been issued by Villa to exterminate all Chinese so that it would seem very probable that great many more have been killed.

FUNSTON

File No. 812.00/20006

Consul Edwards to the Secretary of State

[Telegrams]

EL PASO, *December 2, 1916, 5 p. m.*

Local officials at Juarez state that they have information that Carranza troops under General Murguia have reached outskirts of Chihuahua and are now fighting to regain the city. Villa is not expected to come further north; that he will be content to vacate the city and return to mountains with such loot as he can take with necessary speed. There is but little apprehension of the bandits coming to Juarez. There is a possibility, however, that those now in possession may revolt against Carranza and declare in favor of some other leader in such event looting and general disorder would follow. No authentic information from Americans in Chihuahua has reached this city, there being no wire further than Sauz, thirty miles north of the city. No trains expected from there until sometime to-morrow.

EDWARDS

File No. 812.00/20022

EL PASO, *December 5, 1916, 6 p. m.*

Many telegrams confirming the safety of all foreigners in Chihuahua excepting Chinese; reports differ as to number of them killed. Reports also conflicting as to amount of loot and munition of war taken out by Villa. Twelve thousand Carranza troops now said to be in possession of Chihuahua and strong detachment sent after Villa.

EDWARDS

File No. 812.00/20026

EL PASO, *December 6, 1916, 5 p. m.*

Messages received here stating that Parral is again in hands of Carranza troops and that Americans are safe and no property destroyed. There is a noticeable improvement in conditions in Juarez, fear of change of government now dispelled. The contention and dissension known to exist between Generals Obregon and Treviño which has been the cause of inactivity and given encouragement to the bandits is thought to be over and that better results will come from Government forces.

EDWARDS

File No. 312.11/8274

Vice Consul Blocker to the Secretary of State

[Extract]

No. 1097

EAGLE PASS, *December 7, 1916.*

SIR: * * * Enclosed is an original [manifesto] to the people of Mexico, signed by General Villa, at San Andres, Chihuahua, setting forth the platform of Villa and his colleagues.

It seems evident that General Murguia, the Government commander, successfully reached Chihuahua and wrested it from the hands of the bandits, but on the other hand he has left a wide strip of territory between Torreon, his former base, and the capital city of Chihuahua. It also seems that his advance north did not cover any territory except along the Mexican Central Railroad and the town of Parral is still under control of the bandits.

I have [etc.]

WILLIAM P. BLOCKER

[Inclosure—Translation]

General Villa's manifesto to the Nation

FELLOW CITIZENS: All peoples of the earth are capable at certain times of the greatest sacrifices when they see their national integrity threatened and when their rights as freemen are trampled under foot. We have a fine example of this in the titanic European conflict, and particularly in heroic Belgium, which, conscious of being one of the most civilized nations in Europe, went into this devastating war without the remotest hope of victory but with the consciousness of duty fulfilled, and succumbed when the greater part of its sons had disappeared among the ruins of Namur and Liège, when they fired their last cartridge in order not to have their beloved country encroached upon with impunity by the invader. Our own beloved country has also arrived at one of those solemn moments when, in order to oppose the unjustified invasion of our eternal enemies, the barbarians of the

North. we ought to be united in imitation of the example of that host of valiant men who sacrificed their lives, calmly and smilingly, in behalf of the beloved country which gave us birth, of those Mexicans who astound Europe itself with their magnificent—[word cut out] and who became immortal by inscribing their glorious names in indelible characters on the pages of history. Unfortunately there can be no unification among us, for while it is true that our country has had patriotic and self-denying sons, it also has Carrancistas, who necessarily now govern the destinies of the country, which, impoverished, defenseless and manacled, was surrendered by them to the invader when there is no fortress to defend its already weakened frontiers. As an irrefutable proof of this there has been there, since March last, in the Galeana District the American army commanded by Pershing, it being engaged in constructing cement highways from beyond the Rio Grande to the Valley of San Buenaventura, which is at present the basis of operations of the abhorred Yankee, with the knowledge and tolerance of the Constitutionalist Government, which would like to establish ammunition factories in order to go on saturating the fertile fields of our country with the blood of its sons and thus facilitate the entrance of its allies and protectors into the interior of the Republic. Therefore, dear countrymen, the task which we must perform as Mexicans is very great and very arduous. I call upon you to take up arms in order to overthrow the most corrupt Government that we have had, these office holders who, through their extreme radicalism and in order to perpetuate themselves in power and enrich themselves shamelessly, have covered themselves with ignominy, going so far in their sordid conduct as to criminally disregard the complaints and cries of our troubled country, which, in these times of anxiety, demands the cooperation of its sons in order to save it.

Victory will crown our efforts, do not doubt it, for just causes always triumph; and if destiny is adverse to us, we shall fall in the arena with our faces to the sky, similarly to the ancient gladiators; we shall fall with the crash of a volcano in eruption; we shall collapse as do the masses of granite under the impulse of seismic trepidations; we shall disappear proudly and haughtily, shouting in a chorus: "Beloved Country, thy sons swear they will expire on thy altars".

And upon the traitors let fall the curse of history and the humiliating contempt of Mexicans, for on the morrow they will hurl at them the anathema of spurious sons of the race of Hidalgo and Morelos.

Intentionally and with the best of good faith did I remain inactive with my forces in the enticing and pleasant hope of seeing the activities of the so-called Constitutionalist Government in order to repel the invasion and attempt the unification of the Mexican people. Of course, the bitterest disappointment was not long in coming, for, so far from endeavoring to oust the invaders, they showed the most refined perversity in exploiting the gravity of international relations for their personal benefit and to the absolute detriment of honor; thus we have seen how forces that were armed for no other reason than to defend the territory were deceived and submitted perfidiously and maliciously; thus we have also seen how an infinite number of patriots who were eating the bitter bread of exile owing to the convulsions in their country, crossed the boundary line in order to enlist in the national defense, and thus we have seen how, without any scruple, many of them were interned in the dungeons of the penitentiary at the Capital of the State of Chihuahua, as a reward for their abnegation and patriotism.

As I do not see the slightest hope of a change of conduct on the part of the men in power in the country, I have the honor to state to the Mexican People that, from this time on, I shall push military operations as far as possible in order to overthrow the traitors and place at the head of the Government the citizen who, through his recognized honor and civic virtues, shall cause Mexico to figure in the catalogue of civilized and free peoples, which is the place legitimately belonging to her; for which purpose the following plan will be put into force from this date on, it being subject to additions and amendments and being applicable throughout the area controlled by the revolution:

I. The supreme disposition of the Revolutionary Government shall be to call the people to election for President of the Republic, making use of free suffrage without restrictions of any kind, in order that the people may conscientiously elect the Chief Magistrate of the nation, the military vote being included in the elections, as is strictly just; and those guilty of misconduct at the elections being punished by the death penalty.

II. Not one of the armed leaders or military officers shall be permitted to run for President, as the army is an institution whose rights and duties are clearly defined.

III. Elections shall also be called for Representatives to the Congress of the Union, in accordance with the instructions which will be distributed in due time in a separate pamphlet in order that the voters may be apprised of the importance of these elections if it is taken into account that these officials go to make up the legislative branch of the Government, to which is assigned the most ardent task of the Government, it being charged with restraining the acts of the President himself. In this connection it will be remarked that the public should select persons of well known culture and humble birth who will be capable of understanding the needs of society and especially of that numerous class who are suffering in penury and poverty, viz, the proletariat. Military men shall likewise be precluded from these offices.

IV. It being of vital importance that the Representatives and Senators of Congress should, as said before, be honorable persons who concern themselves for the welfare and progress of their constituents; they must not mix up in affairs beyond their sphere of jurisdiction, such as labors on behalf of concessions, etc., which may redound to their own benefit to the detriment of the public, under penalty of being shot, and when this painful example is set, the State they represent shall be notified in order that the vacancy may be filled by the substitute.

V. The defects of the laws governing the country being well known owing to the modifications or revisions which they have been undergoing in recent years, the President shall adhere to the reform laws in governing the country.

VI. The revised codes shall be annulled and the original ones put into force, we being convinced from practical experience that the changes they have undergone have merely served to satisfy the ambitions of a certain number of persons, to the detriment of the remainder of the inhabitants.

VII. From this date on the Revolutionary Army declares void the acts of the so-called Constitutionalist Government, in the way of loans, concessions, etc., with the exception of those which, on moral grounds and out of respect to society, are inviolable, such as marriages and other acts affecting civil status.

VIII. As the revolution, in order to attain the goal of its salutary aspirations, which are based on a clearly defined ideal tending toward the general improvement of the Republic, needs the resources of its own and outsiders for the national reconstruction, it will not answer for any debt, even though it be claimed by foreigners, who, being received in the country with so much hospitality, have, most of them, trebled their fortunes here; therefore it is just and logical that they should now suffer the consequences inherent to any country at war.

IX. From the date of this statement no foreigner shall be allowed to acquire real estate except such as have been naturalized 25 years ago and have resided continually in this country; however, for the time being, in order to meet the requirements of the war, all interests (property) of foreigners shall be confiscated in behalf of the nation. In future an essential prerequisite for acquiring real estate shall be to become naturalized as aforesaid, and such property may be acquired only in the interior of the Republic.

X. It being realized that the North Americans are in large part responsible for the national disaster and that, for absolutely illegitimate purposes they have stirred up and kept on stirring up fratricidal war in our country, as is amply proven by their unwarranted stay on our soil, they are hereby disqualified, the same as Chinese subjects, from acquiring for any purpose real estate as referred to in the preceding clause.

XI. The railroad lines, together with their equipment of every kind, shall be confiscated and become the absolute property of the Mexican Government, without foreign companies being taken into account as share holders.

XII. Mining property situated in this country and owned by foreigners shall likewise be confiscated and become national property.

XIII. In order to encourage the Mexican manufacturer and further the development of the industry of the country in general, all kinds of mercantile operations with the United States shall be suspended, it being hoped by this measure to awaken greater diligence in the Mexican workman as well as his ingenuity in seeking the greatest improvement in our national products.

Telegraph and railroad communications shall accordingly be cut off to within 18 leagues of the frontiers in the United States of the North.

This stretch of territory shall be garrisoned by the rural forces of the Republic.

XIV. It being an urgent and patriotic necessity that the military leaders operating in the various States of the Republic should require the Mexican people to militarize rapidly in order to be prepared as soon as possible for any emergency in the very probable and long struggle with the invader, they are urged especially to proceed with the greatest activity and energy in this direction; it being understood that every Mexican who refuses to take part in the conflict at this time of genuine trial, in which national autonomy is jeopardized, shall be declared a traitor and his property confiscated without claim for restitution.

XV. The military leaders shall act in accordance with the strictest morality in order that they may demand of their subordinates a good, beneficial military training which shall reflect brilliancy and renown upon the Revolutionary army. Any act in contravention to this provision shall be punished by the penalty of death, without distinction as to military rank.

XVI. In order to punish all those who make a bad use of power and in order to prevent future evils which might again desolate our country and carry sorrow into our homes, we shall proceed, by all means within reach, to request the extradition of Venustiano Carranza, his advisers and accomplices, in case they go abroad, and of the Government where they seek refuge we shall ask, through legal channels, that they return and give an account of their acts; and in case such Government should refuse our just demand, the subjects of the country in which they have sought refuge shall be without the guarantees which the laws grant to good citizens.

Fellow countrymen: Thus you now know my greatest desire, which I believe will be yours, for it is a question of exterminating the most odious and shameful tyranny that the land of Cuauhtemoc has had. To war against the traitors, crying: Mexico for the Mexicans.

SAN ANDRÉS, CHIH., October.

FRANCISCO VILLA,
Commander in Chief

File No. 812.00/20056

General Funston to the Secretary of War

[Telegram—Extract]

FORT SAM HOUSTON, *December 8, 1916.*

3904. Following telegrams received, dated December 7, from General Bell:

A Carranza officer who went to Chihuahua a few days prior to the time Villa attacked the city and was there during entire period of attack as well as during the time of Villa's occupancy of Chihuahua told my informant this morning that the Carrancistas now have about 8,000 men in and around Chihuahua.

According to the information that he got the Villistas killed about 100 Chinamen. He was captured by the Villistas himself but his brother being a Villista officer saved him from execution.

He says that when the Villistas stormed and captured Santa Rosa Hill the Carrancista troops became panic-stricken and General Treviño and his staff were the first to flee from there early. When the other Carranza officers found that Treviño had deserted they also became panic-stricken and fled.

Villa captured a great many arms and much ammunition and this officer states he understood that about 2,000 of Treviño's men who were left in the city without officers joined the Villistas and went out with them.

From reliable information I am sure that Villa gets nine-tenths of his arms, ammunition and supplies of all kinds as well as the majority of his recruits from the Carranza forces.

He now has from seven to ten thousand well-armed and well-equipped men and as soon as the Carranza forces in Chihuahua are again well provided with supplies of all kinds and ammunition he will probably make another attack, get a big reinforcement and renew his supplies.

When he left Chihuahua he took ten trains or about one hundred and fifty cars loaded with loot and provisions out of Chihuahua. This last report has been verified and believed to be correct. An eyewitness told informant that

he counted eighteen flat cars loaded with artillery that Villa took out of Chihuahua. This is estimated to be about thirty pieces of artillery.

As confirmation of the report that Villa has artillery an ex-Federal artillery officer told informant that he had been approached by an agent of Villa and offered two hundred dollars gold cash to bind an agreement to serve Villa as an artillery officer with pay of one hundred dollars gold per month and uniform and equipment.

This man said that Villa is very anxious to secure artillerymen which has been confirmed by many previous indications.

FUNSTON

File No. 812.00/20113

General Funston to the Secretary of War

[Telegram]

FORT SAM HOUSTON, December 9, 1916.

3910. Following received from General Pershing:

Villistas gathering cattle, horses, Santa Clara Valley. Entire district said now to be for Villa. Small parties Villistas reported operating between Lake Guzman and Ahumada. Number Villistas detained San Antonio and marched north to San Diego Delmonte on 4th instant. Local guards various towns previously reported, said to be concentrating at Providencia. Generally rumored that Villa intends to go south. In view of Villa's daring, and comparative inefficient Carrancista forces Villa's power almost certain to increase. Reports regarded as authentic place his forces at 6,000. Four train-loads of supplies captured at Chihuahua arrived San Ysidro 5th instant. A swift blow delivered by this command should be made at once against this pretender. Our own prestige in Mexico should receive consideration at this time. In the light of Villa's operations during the past two weeks, further inactivity of this command does not seem desirable, and there is no longer doubt as to the facts. As stated in previous communications aggressive action would probably meet no resistance by Carrancistas, and should meet their approval. Civilian element would welcome us, as they now wonder at our inactivity.

I approve of the foregoing recommendation. Villa's successes are rapidly placing him in control of a large part of the State of Chihuahua. Carranza forces opposed to him have not been successful; on the contrary they have been seriously and decisively defeated several times during the last month. I can see no reason for believing that they will be more successful in months to come, as Villa is constantly gaining in strength, influence and power and is extending area over which he has complete control. Secret service reports show that there is strong Villa sympathy in Coahuila and Nuevo Leon and I believe if he is allowed to continue his career unchecked that in the course of a few months he will control all of northern Mexico. A quick decisive blow directed against him now by John J. Pershing's (Maj. Gen.) command would check this rising power and if allowed to continue until Villa is captured would put an end to the whole movement, thereby greatly benefiting *de facto* Government. John J. Pershing (Maj. Gen.) states that he believes such action would meet with no resistance by Carrancistas. It would certainly seem that it should meet not only with their approval but with their cooperation. This would involve the use of the Mexico Central or Mexico Northwestern Railroads from Juarez, as John J. Pershing must have one of these railroads for his line of communications. There could be no assurance of success in pursuing Villa without provisions being made for following him into Durango, Distrito Federal.

FUNSTON

File No. 812.00/20108

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, December 20, 1916, 10 a. m.

Consulate is considerably uneasy for safety of Americans and other foreigners at Torreon in view of several private messages received from there yesterday, indicating government forces were considerably alarmed over Villista strength and that Jimenez and probably Escalor, as well as Berminnillo, were under bandit control. Delayed report from British Consul states Government forces from Tlahualilo and nearby points have concentrated in Torreon, and Paral has also been reoccupied by Villa. Several government trains were captured at Jimenez. He is making arrangements with Torreon Smelter for use of locomotives to haul refugees should situation become acute, but at the same time he fears road will be cut and foreigners placed in a trap. He estimates foreign population at eight hundred people, the majority Chinese and Spaniards, whom Villa would undoubtedly murder.

BLOCKER

File No. 812.00/20134

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, December 23, 1916, 10 a. m.

Information apparently reliable that Carranza troops evacuated and Villistas entered Torreon yesterday.

COBB

File No. 812.00/20135

Special Agent Carothers to the Secretary of State

[Telegram]

EL PASO, December 24, 1916, noon.

I have confirmation of capture of Torreon by Villa also that he is maintaining order and affording protection to foreigners who remained.

CAROTHERS

File No. 812.00/20144

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, December 26, 1916, noon.

Eighty armed rebels crossed the Rio Grande below Laredo and forty above Laredo from the Texas side and burned a small railroad bridge twelve miles south of Nuevo Laredo. It is supposed that their object is to cut railroad lines south of Nuevo Laredo preparatory to capturing that city.

GARRETT

File No. 812.00/20149

Consul Canada to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Vera Cruz, December 26, 1916, 4 p. m.

Reactionaries entered town of Soledad on the Mexican Railway about 27 miles from Vera Cruz yesterday, defeated Carranza forces and took ammunition stored there.

CANADA

File No. 812.00/20157

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, December 27, 1916, 6 p. m.

A report considered reliable received this evening states Torreon garrison falling back along Coahuila and Pacific Railway towards Saltillo and are now at Parral [Parras], while reinforcements sent to their relief are at Hipolito on Central Railroad which runs parallel to Coahuila and Pacific. Both commands are destroying track as they retreat. General Salazar seems to be in command of Villa troops and apparently has demoralized Government troops to extent they are destroying track from fear being followed.

BLOCKER

File No. 812.00/20172

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, December 28, 1916, noon.

Conditions in Mexico are growing worse daily. The Villistas are rapidly gaining in strength and activity and it looks like they would soon have control over northern Mexico. Have received information that it is their intention to capture Monterey in the near future. An attack on Nuevo Laredo is scheduled for January first. Several important families closely connected with *de facto* Government arrived here yesterday, including the family of the Governor of Coahuila and the widow of Jesus Carranza, which shows that the Carranza authorities realize the gravity of the situation.

GARRETT

File No. 812.00/20173

Vice Consul Blocker to the Secretary of State

[Telegrams]

EAGLE PASS, December 28, 1916, 4 p. m.

General Peraldi, commanding garrison at Piedras Negras, confidentially concedes fall of Torreon after receiving a message this morning from Saltillo announcing its fall. No details were given. Late this afternoon the General received information which he terms unofficial that the defeated garrison joined by reinforcements at

Hipolito are advancing on the city and he expects its recapture. Consulate has information that the Government troops are still destroying track between Torreon and Hipolito; also between Torreon and Parras; that no advance has been made to recapture city but to the contrary. Rumors are current in Piedras Negras this afternoon that Governor and cabinet at Saltillo are packing up archives preparatory to leaving for border should Villistas advance that way; also that Carranza adherents are leaving from fear of attack on the state capital. Passenger train arrived and departed for south today but tickets were only sold to Saltillo. While communication between Saltillo and San Luis Potosi is open nothing but military trains are operating.

BLOCKER

File No. 812.00/20178

EAGLE PASS, *December 30, 1916, noon.*

Official telegram received this morning by General Peraldi commanding Mexican forces Piedras Negras from Saltillo announces recapture of Torreon yesterday by Government troops of command of General Murguia, combined with former garrison of Torreon which [had] fallen back to Parras upon death of General Tamaltias. their commander, but after being reinforced by troops from Hipolito they again entered city, uniting with Murguia's forces that had come from Chihuahua. No details were given other than notice that Villa levied heavy war loan on city and is believed to be marching toward Durango City. Mexican Railway officials also claim that a through Mexico City train will arrive here this afternoon, the first train from south of Saltillo since capture Torreon.

BLOCKER

FINANCIAL AFFAIRS. SEQUESTRATION OF THE NATIONAL BANK OF MEXICO AND THE BANK OF LONDON AND MEXICO BY THE DE FACTO GOVERNMENT. GOOD OFFICES OF THE UNITED STATES.

File No. 812.516/108

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,

Washington, December 18, 1915, 6 p. m.

Department reliably informed National Bank of Mexico is being compelled to pay its bills of exchange in gold, while it has been obliged to accept current paper money for nearly two years. Payments mentioned in metallic currency will result in ruin of bank. Further, such action may cause the ruination of Mexico's credit abroad and create chaos in Mexico.

Place the foregoing immediately before General Carranza and impress upon him the urgent necessity of giving the greatest consideration to all cases of this nature, which may cause the *de facto* Government great embarrassment in its efforts to rehabilitate the country financially.

LANSING

File No. 812.516/111

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, December 21, 1915, 5 p. m.

192. Banking situation is becoming more serious. Am informed that, acting on instructions received from Carranza, courts were authorized to accept judicial demands against banks of issue to force them to make immediate redemption of their bank notes in specie. The National Bank of Mexico has already received judicial demand for such redemption, but I am reliably informed that the action in this case has been stopped by order of Carranza until he arrives at Querétaro. Therefore such suspension is only temporary. Bank officials state that the desired redemption is impossible at present because of general acceptance of fiat money, but that if allowed sufficient time bank can redeem all notes in specie. Bank further protests against immediate redemption on ground that some twenty-five million pesos of its notes are held abroad; and as the metallic reserve, which it has in full, is by law required to be only fifty per cent of its emission, the local holders of its notes would exhaust the reserve before the more distant holders could present their notes, or even learn of the action taken. I am given to understand that the bank is entirely solvent, but that in the present circumstances would probably be obliged to close its doors temporarily if such demands are later enforced. Courts are feared because there is no federal court to which to appeal and no supreme court for final decision on constitutional proceedings. I understand that other banks in the Republic are in similar circumstances, although no formal demand has yet been made for specie redemption. The closing of these banks would aggravate an already serious economic crisis, as during the last ten days five more State banks have been put out of business by virtue of the decree of September 29. The French Minister, dean of the diplomatic corps, stated to me yesterday that the general opinion of the diplomatic corps is that the present Government is greatly exceeding its authority in issuing decrees and other instructions which have the force of law, and that in such cases as the one in hand, where the consequences are far-reaching and would entail unavoidable and heavy loss, most energetic representations should be made in order to avoid the disastrous results and the establishment of dangerous precedents. Further, diplomatic corps does not consider that a Government can be considered as constituted in Mexico when several of the Cabinet Ministers have not been yet appointed and when the Chief Executive has been for more than three months and is still at a distance of one thousand kilometers from the capital with hardly any means of communication.

If the Department deems advisable to make representations in that case matter, I have to suggest that they be made directly and immediately to General Carranza.

PARKER

File No. 812.516/109

Special Agent Silliman to the Secretary of State

[Telegrams]

SALTILLO, December 21, 1915, 5 p. m.

Department's December 18, 6 p. m. National Bank of Mexico. General Carranza said this morning that the real fact in regard to the Bank of Mexico is that it is being required, as all other banks of issue in the country are being required, to redeem its own bills in Mexican silver as required by law and as stated on the face of the bills; not, however, in gold. This is in accordance with the order giving banks of issue forty-five days to comply with provisions of banking law. This order was afterward extended, but is now in force. The General was reminded that many banks had been directed to increase their circulation under Huerta and afterward had been deprived of their metallic surplus through forced loans and other illegal methods beyond their control by the Huerta Government and also by the revolution. When the General was informed that the Department feared the enforced resumption of immediate specie payment might result in the ruination of Mexico credit abroad and cause chaos in the country and that the Department reconsidered [?] the greatest consideration in the matter urgently necessary the Chief replied that it was not the intention of the *de facto* Government to be inconsiderate; that due consideration and a fair hearing would be given in each particular case, but that the banks had been taking undue advantage of the present situation and that in justice to all concerned the matter must be justly regulated.

SILLIMAN

File No. 812.516/110

SALTILLO, December 22, 1915, 6 p. m.

Matter of bank situation again discussed fully with First Chief this morning. Unable to obtain any further expression than that conveyed in my December 21, 5 p. m.

SILLIMAN

File No. 812.516/111

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,

Washington, December 24, 1915, 5 p. m.

196. Your 192, December 21, 5 p. m., relative bank situation. - Repeat same to Silliman, Saltillo, to whom appropriate instructions are being telegraphed. Keep Department fully informed.

LANSING

File No. 812.516/110

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,
Washington, December 24, 1915, 2 p. m.

Your December 22, 6 p. m., relative bank situation. Parker being instructed to repeat to you lengthy telegram on this matter. Immediately upon its receipt lay matter before Carranza and urgently request, in view of the serious consequences that may result from the *de facto* Government's attitude in this matter, that the banks be given sufficient time to meet the requirements of the order.

LANSING

File No. 812.516/113

Special Agent Silliman to the Secretary of State

[Telegram—Extract]

SALTILLO, *December 27, 1915, 2 p. m.*

Department's December 24, 2 p. m. Chief left Saltillo for south on twenty-second. Does Department desire that I proceed to his headquarters and take up this matter with him. In conversation with the Chief as an illustration the impossible situation that would result if the city of Saltillo, the State of Coahuila and the Republic of Mexico were required by their creditors to meet their obligations within sixty days, was used. It was suggested that the banks be allowed at least one year, better three years under the circumstances, to resume specie payment. He could not see that the illustration was apt nor would he concede that the banks should be allowed further time. He stated as before that they would be given a fair hearing. He said that he wanted to establish one only national bank of issue. It would seem apparent that the banks in simple justice should be given a reasonable time to comply with the decree, as the Department has been appealed to the case is so delicate and important that it requires our most careful cooperation and teamwork. I greatly fear that the most energetic diplomatic representations may fail of the mark. It should be borne in mind that the National Bank of Mexico is largely French capital, the Bank of London and Mexico largely British, and the state banks of issue largely Mexican and Spanish. The Chief has intimated on a number of occasions that he wished interests to make their own representations, that representations should not assume an international form until direct representations to the Mexican Government have been unsuccessful, that foreign representations should be limited to the nations of the persons making the representations. Therefore, and in view of all the circumstances, it is most respectfully suggested to the Department that a commission representing the banking interests meet the Chief and state the case fully. I could arrange the meeting, make the introductions and be of such further service as may appear appropriate. Mr. Nieto of the Department of Hacienda should be present; in the absence of Mr. Cabrera it is also respectfully suggested that Arredondo and Cabrera who I understand is in Washington should

be fully advised of the Department's views and that they be requested to lend their assistance in the way of advising the Chief to give a full and fair hearing to the banks and in the interests of all concerned to grant them sufficient time in which to resume specie payment.

Department's further instruction respectfully awaited.

SILLIMAN

File No. 812.516/114a

The Secretary of State to Mr. Parker, representing American interests

[Telegrams]

DEPARTMENT OF STATE,
Washington, December 28, 1915, 6 p. m.

198. You are instructed to say to the Minister of Finance that this Government views with grave concern the reported plans of the *de facto* Government to take drastic action against the banking institutions of Mexico, corporations which represent the very nerves of economic Mexico. It is only natural that, following a long and devastating revolution, the affairs of all business concerns should be in a rather disorganized condition. Banks are no exception to this rule. On the contrary, they are more susceptible to political changes and more likely to be deeply affected thereby than any other business enterprise.

If drastic action is to be employed against the banks, without allowing ample time to recover their equilibrium, this Government fears that chaos will result in Mexico; that the good will of the foreign governments whose subjects are interested will, in a great measure, be alienated; and that the doors of financial institutions the world over will be closed to all propositions emanating from Mexico: thus making the rehabilitation of that country one of extreme difficulty, if not altogether impossible.

LANSING

File No. 812.516/113

DEPARTMENT OF STATE,
Washington, December 29, 1915, 5 p. m.

Silliman suggests commission representing banking interests should meet General Carranza to explain grievances, adding he could arrange meeting. He thinks Mr. Nieto should be present at meeting.

LANSING

File No. 812.516/113

The Secretary of State to Special Agent Silliman

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, December 29, 1915, 5 p. m.

Your suggestion regarding commission representing banking interests meeting General Carranza has been communicated to Parker.

LANSING

File No. 812.516/112

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, December 30, 1915, 8 p. m.

207. Your 198, December 22, 1915, 5 p. m.¹ Department taking up with Carranza matter decree mentioned.

Advise American citizens meanwhile not to voluntarily comply, and do not turn over money of United States Government.

LANSING

File No. 812.516/112

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,
Washington, December 31, 1915, 4 p. m.

Parker telegraphs that decree by Finance Department of December 6, requires holders of paper money issued by State of Chihuahua to turn same over by December 31 to National Treasury for which receipt will be given; that Treasury will exchange such of these bills as are mentioned in decree of November 27, 1914, but others not included will be destroyed at owner's loss. Decree also requires bills issued by Carranza in Mexico City on September 2 and October 20, 1914, to be turned over to Treasury, where receipt will be given, but without promise of exchange. These decrees are of very broad scope, affect largely foreign interest and apparently make no provision for consideration of circumstances under which bills were issued, floated or acquired by Americans or other foreign interests, and do not safeguard the rights of such foreign interests.

Parker was telegraphically instructed to advise American interested persons that they should not voluntarily comply with decree and that he was not to surrender any bills in his possession belonging to this Government.

Communicate immediately with General Carranza, saying that Department anticipates that he will take prompt and appropriate action to suspend enforcement of decree in so far as it may affect citizens of the United States in order that full text of decree may be had, its scope and effect considered, and the rights of nationals of this country brought to attention of *de facto* Government for deliberative consideration and protection.

LANSING

File No. 812.516/114

Special Agent Silliman to the Secretary of State

[Telegram—Extract]

QUERÉTARO, January 1, 1916, 1 p. m.

The Subsecretary of Hacienda has just informed me that there has been an entire misunderstanding of this whole matter. A decree

¹ Not printed. See next item for résumé of Mr. Parker's telegram.

is now being prepared which it is expected the Chief will shortly sign granting banks of issue period of two years in which to redeem their bills in silver. Correspondingly during the two years, debtors will not be permitted to pay their obligations in depreciated currency if their contracts state that payment is to be made in Mexican silver or in foreign money.

It would appear that the suggested conference of bankers is unnecessary.

SILLIMAN

File No. 812.516/115

Special Agent Silliman to the Secretary of State

[Telegram]

QUERÉTARO, January 4, 1916, 5 p. m.

Department's December 31, 4 p. m. Decrees relating to issue of paper money. *De facto* Government states today through Subsecretary Nieto that decree of December 6 was for the purpose of leaving on hand in the Treasury as much as could be secured of the money issued in the State of Chihuahua, receipt being given for same. The object in calling in the extra issue was to validate whatever was presented as of the issue of six million pesos which Villa was authorized by the First Chief then make and to destroy the unauthorized issue. This has consistently been the course of the Constitutionalist Government as to currency issued and floated by its enemies whether Huertistas or others. The decree has no reference to the Chihuahua issue entitled Ejército Constitucionalista, signed by Serapio Aguirre, validity of which is unquestioned. Concerning other money mentioned by Department, it was stated that the object was to withdraw it from circulation giving receipt for same and reserving the Government's final decision regarding it for future deliberation. Department's concern for the interests of American citizens who might be holders of these different issues was conveyed to the Subsecretary and he was reminded of the circumstances attending the various issues. He replied that the decrees were no longer in force as the time mentioned in them had expired and that while regretting any loss in consequence of them the Government was not prepared at this time to suggest a mode of relief.

SILLIMAN

File No. 812.516/116

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, January 14, 1916, 4 p. m.

228. Department's 198, December 28, 6 p. m. Minister of Finance has just replied that in order to give the proper answer to the suggestions contained in said telegram it will be necessary for the Department to refer to concrete cases of proposed drastic measures

as so far the Government has only issued a decree by which banks of issue are required to comply with provisions of banking laws which were in existence when the revolution began.

PARKER

File No. 812.516/116

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, January 20, 1916, 5 p. m.

235. Your 228, January 14. Department instructed Silliman January 4 to repeat to you his telegram of January 1, 1 p. m. In view said telegram, additional representations at this time apparently unnecessary.

LANSING

File No. 812.516/115

The Secretary of State to Mr. Parker, representing American interests

No. 1861

DEPARTMENT OF STATE,
Washington, January 20, 1916.

SIR: Referring to your telegram, No. 198, of December 22, 5 p. m., and the Department's answering telegram, No. 207, of December 30, 8 p. m., in regard to the decree of December 6, requiring holders of paper money issued by the State of Chihuahua, and holders of the bills issued by General Carranza in Mexico City on September 2 and October 20, 1914, to turn them over to the National Treasury by December 31, 1915, I enclose herewith a copy of a telegram from Mr. Silliman, dated at Querétaro, January 4, 5 p. m., in further relation to the matter.

You will report available facts as to the amount of money of the invalidated issues referred to in your No. 198, mentioned above, which remains in the hands of American citizens.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 812 516/122

Mr. Parker, representing American interests, to the Secretary of State

No. 336

MEXICO CITY, March 20, 1916.

SIR: I have the honor to refer to the Department's instruction No. 1861 of January 20, 1916, with reference to the invalidated issues of paper money in the hands of American citizens. With special reference to the last paragraph of the Department's instruction I have the honor to state that persistent inquiry among Americans elicited comparatively little information as to the amount of money of these invalidated issues remaining in their hands. Well informed persons variously estimate the amount of this currency in the hands of foreigners at from 100 to 600 million pesos of which probably 25% is

in the hands of Americans. In view of the great diversity of opinion a conservative estimate of the amount in the hands of American citizens would be from 25 to 50 millions.

I have [etc.]

CHARLES B. PARKER

File No. 812.516/121

The French Ambassador to the Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, April 10, 1916.

MR. SECRETARY OF STATE: By your unofficial note of the 6th of January last² your excellency was pleased to give me the text of a telegram from Mr. Silliman dated the 1st of the same month in Querétaro and relating to the condition of the banks of issue in Mexico.

It said that the Undersecretary of Hacienda of the *de facto* Government had declared to the representative of the Federal Government that utter misapprehension had long been standing in regard to those banks but that a decree was being drafted and would be signed at an early date by the Chief of the Executive Power, granting them two years during which they should not be compelled to redeem their notes in coin and allowing them to refuse, during the same period, to accept payment in depreciated paper money of debts growing out of contracts calling for payment in foreign currency or Mexican silver.

My Government to which I took pains to report the assurances thus given Mr. Silliman appreciated them to their full value and wishes me to apply to your excellency and obtain of the Federal Government that it urge upon General Carranza the earliest possible fulfilment of the promises made in January to your agent and thus far unredeemed.

The National Bank of Mexico and the London and Mexico Bank whose capital is almost exclusively French are, as a matter of fact, placed in a most critical position on account of their being compelled, by reason of the failure to publish the above-mentioned decree, to accept payments in paper money that is steadily falling and at the same time to redeem their notes in silver.

Your excellency would oblige me by enabling me to report to the Government of the Republic that you kindly directed, as I hope you will, that the steps which such a condition of affairs so urgently demand be taken with General Carranza.

Be pleased to accept [etc.]

JUSSERAND

File No. 812.516/121

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, April 22, 1916, 4 p. m.

54. See Silliman's January 1, 1 p. m. banks of issue. Report whether assurances mentioned therein have been carried out; also

² Not printed.

telegraph nature present complaints of banks, and prospects for their relief.

LANSING

File No. 812.516/123

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY. April 25, 1916, 5 p. m.

29. In reply to Department's 54, April 22, 4 p. m. No action as to banks of issue yet; matter still being considered. Moratorium decree dealing with this and matters related thereto delayed but officially informed will be issued soon.

Present intention with bankers based upon current currency questions anticipatory its new issue. Apparently no progress by Government in matter controlling exchange rate.

RODGERS

File No. 812.516/121

The Secretary of State to the French Ambassador

No. 1688

DEPARTMENT OF STATE,
Washington, April 27, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of April 10, 1916, in which you request me to represent to General Venustiano Carranza the advisability of fulfilling the promises contained in Consul John R. Silliman's telegram of January 1, 1 p. m., relative to relieving the banks of issue in Mexico from the requirements of redeeming their notes in silver, *et cetera*.

In reply I have the honor to inform your excellency that I sent a telegram to Mr. James Linn Rodgers, the Department's representative near General Carranza, on April 22, 1916, directing him to report on the financial situation, especially with reference to Mexican banks of issue. On April 25, 5 p. m. Mr. Rodgers telegraphed that he had been informed officially that a decree establishing a moratorium would be issued in the near future. Inasmuch as little or no American capital appears to be invested in the institutions mentioned in your excellency's note, I do not deem it advisable to send additional instructions to Mr. Rodgers at this time.

Accept [etc.]

ROBERT LANSING

File No. 812.516/124

The French Ambassador to the Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, July 20, 1916.

MR. SECRETARY OF STATE: My Government informs me that it appears from information that has just come to it that the Mexican Government is threatening to lay a heavy monthly tax in gold on the National Bank of Mexico in which as you know a large French

capital is invested. If the threat were carried out, it would violate Article 9 of the concession granted to the bank on May 15, 1884 and approved by the Mexican law of the 31st of the same month.

The Minister of France to Mexico has been instructed to demand of the local authorities full respect of the contract.

The question of principle and legality thus raised being one of common interest and the outcome of the predicament being of correspondingly great importance not only to foreigners holding interests in that particular bank but to all countries whose nationals hold interests in Mexico, my Government hopes that that of the United States will lend us its assistance to prevent the said threats being carried into effect. I should be very glad if I could be put in a position so to assure the Government of the Republic.

Be pleased [etc.]

JUSSERAND

File No. 812.516/124

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, July 28, 1916, 4 p. m.

248. French Embassy asserts *de facto* Government threatens to place heavy monthly tax, in gold, on National Bank of Mexico, in violation Article 9 of concession dated May 15, 1884.

Discreetly investigate and telegraph result.

POLK

File No. 812.516/125

Special Representative Rodgers to the Secretary of State.

[Telegram]

MEXICO CITY, July 31, 1916, 4 p. m.

250. Department's 248, July 28, 4 p. m. This same contribution mentioned in my 209, July 5, 3 p. m.² Banks refused to pay. On behalf of American banks secured from Cabrera July 22 agreement suspension proceedings in enforcement payment contribution. No action since and advised compromises somewhat satisfactory to all banks will be effected soon.

RODGERS

File No. 812.516/125

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, August 2, 1916, 5 p. m.

263. Your 250, July 31, 4 p. m. Continue to exercise your best efforts in behalf American interests in financial institutions in Mexico, to the end that no unwarranted burdens be placed upon them.

POLK

² Not printed.

File No. 812.516/124

*The Acting Secretary of State to the French Ambassador*DEPARTMENT OF STATE,
Washington, August 4, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of July 20, 1916, in which you state that the *de facto* Government of Mexico threatens to place a heavy monthly tax, in gold, on the National Bank of Mexico, in violation of Article 9 of the concession granted to the bank on May 15, 1884. In view of the great importance of the interests of foreigners in the said bank, and because of the interests of foreigners in Mexico generally, you request the assistance of the Government of the United States in an endeavor to prevent such threats from being put into effect.

In reply, I have the honor to inform your excellency that, on July 28, I instructed Mr. James Linn Rodgers, the Department's special representative near General Carranza, to report on the financial situation in Mexico, especially with reference to the threatened imposition of heavy taxes upon the National Bank of Mexico. Under date of July 31, Mr. Rodgers telegraphed that the banks have, thus far, refused to pay the extra taxes demanded by the *de facto* Government of Mexico, and that, on July 22, acting in behalf of the American interests involved, he was successful in having the Mexican Secretary of Finance agree to suspend, temporarily, the enforcement of the extra taxes. Mr. Rodgers adds that no action has been taken since that time, and that he has been advised that a compromise, somewhat satisfactory to all banks, will be effected in the near future.

I am glad to inform your excellency that, on August 2, I instructed Mr. Rodgers to continue his efforts in behalf of American interests in financial institutions in Mexico, to the end that no unwarranted burdens be placed upon them.

Accept [etc.]

FRANK L. POLK

File No. 812.516/127

Mr. Parker, representing American interests, to the Secretary of State

[Telegram—Extract]

MEXICO CITY, September 10, 1916, 10 p. m.

388. Am informed that demand has been made on the Banco Nacional, almost entirely French capital, and on the Banco Londres y Mexico, almost entirely Spanish capital, for the specie redemption by each of some 200,000 pesos in their respective issues of banknotes at par, that is, in silver or gold. Par value is practically fifty cents United States currency, whereas market value is about eighteen. My informant states that he understands that some of the government officials are financially concerned.

PARKER

File No. 812.516/128

The French Ambassador to the Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, September 11, 1916.

MR. SECRETARY OF STATE: My Government has just been informed by its Minister to Mexico that General Carranza had caused an order to be issued to the Bank of London and Mexico to reimburse the National Mont-de-Piété (Pawnbroking institution) in coin and for the face value of the said bank's note, a sum exceeding \$200,000.

The bank being compelled to accept payments made in the Mexican Government's paper money which is legal tender and all the coined money having gone out of circulation, rightfully holds that it cannot be bound to redeem its own notes otherwise than with the aforesaid paper money, on pain of immediately seeing its own assets melt away, for those notes now quoted at far below their face value would at once be presented in a lump for redemption.

The Minister of France has applied to the Mexican Minister of Foreign Affairs with a request that Mr. Carranza reconsider his decision and pointed out the disrepute into which Mexico would fall abroad as the result of violent measures against the banks. But Mr. Couget, unable to get satisfaction, fears that the *de facto* Government may have in mind to seize upon the refusal of the banks to redeem their notes in silver as a pretext to declare them bankrupt and lay hold of their coin assets with the decidedly vain hope of improving its financial condition. From what the French representative understands, a like order would shortly be served on the National Bank.

At the time when the negotiations are being carried on between the Federal and *de facto* Governments aimed at regulating the relations between the two countries as well as at assisting the Mexican Government to a final determination of its situation at home and abroad the Government of the Republic would attach great value to your excellency kindly bringing to the notice of General Carranza's Government the bad name it would surely bring upon itself in foreign countries whose savings are largely invested in Mexico by taking measures of this kind against the banks which would be wrecked thereby under totally indefensible and unacceptable conditions.

Taking into particular consideration the fact that the Minister of Finance of Mexico is now in the United States in the capacity of president of the Mexican delegation to the commission sitting at New London, your excellency may perhaps see fit to bring before the said commission, beside any effort to be attempted in Mexico, the very serious steps that have just been taken and certainly run counter to the intentions disclosed by the two Governments in connection with that meeting.

Be pleased [etc.]

JUSSERAND

File No. 812 516/128

The Secretary of State to the French Ambassador

No. 1753

DEPARTMENT OF STATE,
Washington, September 16, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of September 11, 1916, concerning a demand that has been made by the *de facto* Government of Mexico upon the Bank of London and Mexico, requiring the bank to redeem over \$200,000.00 of its bank notes, at par, in coin. You state that the French Minister at Mexico City has already requested General Venustiano Carranza to reconsider the matter, and you request me to exercise my good offices in an endeavor to prevent violent measures being taken against the institution mentioned.

You add that the bank is compelled to accept paper money in payments made to it, and that the bank should, therefore, not be forced to redeem its notes otherwise than with the said paper money.

In reply I have the honor to inform your excellency that, under date of September 12, 1916, I addressed a letter to the Secretary to the American commissioners, American and Mexican Joint Commission, at New London, Connecticut, enclosing correspondence on the subject, including a memorandum from your excellency's Embassy. In my letter I called the said secretary's special attention to the proposed action against certain banking institutions in Mexico City, and suggested that it might be advisable for the American members of the commission to take up the matter with the Mexican members, and to point out to them the injurious effect which the threatened action might have on the financial rehabilitation of Mexico.

I have the honor to add that I have sent several copies, in translation, of your note to the American members of the commission for their consideration.

Accept [etc.]

ROBERT LANSING

File No. 812.516/129

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, *September 18, 1916, 10 a. m.*

402. The most drastic blow that Carranza thus far has dealt to the banks and financial interests generally is contained in the decree published yesterday bearing date of September 15 and which cancels the right of banks of issue to emit bank notes and orders them within sixty days to cover the entire amount of their issues with metallic reserves. In his preamble to the decree Carranza declares that the note-issuing faculty hitherto granted to the banks is a monopoly and therefore illegal under Article 28 of the Mexican Constitution. This decree is probably preliminary to the assumption by the Government of the note-issuing power. Behind the decree local bankers think

they discern an intention of the Government by this means to obtain possession of a large sum of metal now held by the banks of issue as security for their notes and which it plans to utilize as a reserve in an effort to secure an appreciation in value of the paper peso. According to the decree the Government has the power to take over the affairs of any bank of issue which does not wholly cover its issue with metal within sixty days. Probably many of the banks will be unable to comply. Until the present the banks have been allowed to issue at the rate of three pesos in notes against one peso in metal. The only banks capitalized with foreign money which are affected by the decree are the National Bank and the Bank of London and Mexico the control of which is owned largely in France. The decree virtually amounts to compelling the banks to redeem their entire issue within sixty days as the only alternative which they have to increasing their metallic reserve to the necessary amount is to lessen their liability in this direction by withdrawing as much of their circulation as possible. Either method will require the banks to pay out or to accumulate at once hundreds of millions of pesos in metal or to allow the Government to take over their affairs. Besides provisions above mentioned briefly the decree establishes councils of attachment for each bank for the purpose of safeguarding the metallic reserves or assuming charge of all operations for conserving the interests of the banks and for liquidating the banks in case they do not augment their reserves. The Finance Ministry is given power to decree all measures for the conservation of the interests of the banks and the operations of the councils of attachment and only by his order can the metallic reserves be distributed. M. [Murray*]

PARKER

File No. 812.516/137

The French Ambassador to the Secretary of State

[Translation]

DEPARTMENT OF STATE,
Washington, September 18, 1916.

MR. SECRETARY OF STATE: As forecast in the communication which I had the honor to address to your excellency on the 11th of this month, it appears from reports that have recently reached the Government of the Republic that the Bank of London and Mexico and the National Bank have been compelled by the Carranza Government to pay back to the National Pawnbroking Institution a sum of \$200,000 each of their notes, in coin and for the face value of the notes.

Owing to the condition of the Mexican pawnbroking offices which, as it seems, are unable for the lack of coined money to carry on their loan operations, the National Bank had offered to open to them a long term credit in the sum that was demanded, with the notes themselves for security.

In spite of this exceptional offer which bore witness to the Bank's good will toward charitable institutions and in spite of the pressing

* Robert H. Murray.

representations made to him by the Minister of France, the *de facto* President categorically refused to entertain those views and the answer he caused to be returned was that his decision was final. He added however that the case was not to establish a precedent.

In directing me to bring this authoritative act of Mr. Carranza to your excellency's knowledge, the Government of the Republic expresses a wish that it be made known to the United States delegates to the New London conference so that they may impress upon the Mexican Minister of Finance the great injury, not to say more, such proceedings are likely to work to the credit of his country.

Be pleased [etc.]

JUSSERAND

File No. 812.516/133

Consul Canada to the Secretary of State

[Telegram]

AMERICAN CONSULATE,

Vera Cruz, September 20, 1916, 8 a. m.

A decree September 15 gives banks sixty days to cover their bills with metallic reserves. Vera Cruz banks now closed. Decree sent by next mail.

CANADA

File No. 812.516/143

Consul Canada to the Secretary of State

AMERICAN CONSULATE,

Vera Cruz, September 20, 1916.

SIR: I have the honor to transmit enclosed herewith Carranza's bank decree referred to in my cablegram of September 20, 8 a. m.

I have [etc.]

WM. W. CANADA

[Inclosure—Translation]

I, Venustiano Carranza, First Chief of the Constitutionalist Army in charge of the Executive Power of the Nation, making use of the powers with which I am vested.

Whereas: I. The powers of the Congress of the Union are limited by the prohibitive provisions of the fundamental law of the Republic, with the consequence that the laws which are passed by exceeding those powers in contravention of the fundamental law should be abrogated, and since the Power charged with declaring the unconstitutionality of the laws in judicial form is not at present being exercised and since the Executive Power is under the obligation of carrying out the provisions of the Constitution of the country, it behooves him who is charged with the Executive Power to declare the abrogation of the unconstitutional laws and concessions;

Whereas: II. The laws which establish the concessions granted to the banks of issue and the provisions of the law for credit institutions, by virtue of which the said institutions, without any compensation in favor of the State, enjoy the monopoly of issuing bills in greater quantities than the total of the metallic reserve, can turn their mortgage credits into cash without judicial formality and are exempt from taxes, are unconstitutional, because Article 28 of the Constitution declares that there shall be no monopolies in the form of protection to industry and several provisions of the same Constitution order that the laws should be applied by the ordinary courts according

to rules common to all litigants, that no person can enjoy advantages which are not the reward of a public service and that it is forbidden to place restrictions on the liberty of the States; yet this is done when credit institutions are exempted from local taxes;

Whereas: III. The application of ordinary legislation to credit institutions might bring about the bankruptcy of said institutions, causing a recrudescence of the financial crisis and the raising of a great number of judicial questions, thus doing harm to the interests invested in banks, which interests must be defended by the State, in consideration of the fact that they were created under the protection of illegal concessions and of the Law of Credit Institutions;

Whereas: IV. The failure of enterprises which undertake public services gives rise to the naming of Boards of Supervision (Consejos de Incautacion, Boards of Administration, Inspection and Provisional Precautionary Attachment or Trusteeship) which take charge of the interests in the controversy, and in the present instance it is convenient that in the administration and in the liquidation of the banks all those who have an interest in them, including the legal representatives of the banks, should appear:

Therefore do decree the following:

Article 1. Repeal is made of the laws which authorize concessions to the banks of issue and the provisions of the general law of credit institutions of March 19, 1897, modified by the decree of June 19, 1908, by virtue of which the said institutions have monopolies of the issuance of bills, are empowered to proceed in extraordinary fashion in case of judicial suits and are exempted from paying imposts.

Article 2. The banks of issue are granted a term of sixty days from the date of the promulgation of this law to increase their metallic reserves to cover the total amount of the bills in circulation.

Article 3. From the date of this law the banks mentioned can only carry on operations with the authorization of the inspector of the Department of the Treasury and operations which have as their object the preserving of the interests of the bank.

Article 4. The Treasury Department shall proceed immediately to name for each bank of issue a Board of Supervision (Consejo de Incautacion) which shall be composed of a member of the Regulating and Inspecting Commission of Credit Institutions, of an inspector of banks, of the manager of the institution and of a representative of the creditors, who, during the time it is being established, shall be the Attorney General of the Republic or an agent of the Federal Public Ministry (i. e., of the Attorney General) especially designated. The representative of the Regulating and Inspecting Commission of Credit Institutions shall act as president and shall have the deciding vote. The creditors of the bank may meet together and when by virtue of a notarial act they choose, according to the majority of credits, a representative, they may inform the Treasury Department of the fact and in such case the representation of the Public Ministry shall cease, being assumed by the person designated.

Article 5. The Board of Supervision (Consejo de Incautacion) shall have the following powers:

- I. To watch over the preservation of the metallic specie.
- II. To carry on all kinds of operations which have as an object the preserving of the interests of the bank.
- III. To liquidate the institution with the previous authorization of the Treasury Department or in obedience to the resolutions of the Department in case the bank does not increase the reserves according to the terms provided in Article 2 of this law.

Article 6. The Treasury Department, officially or upon the request of an interested party, shall decree those measures which are pertinent to the preservation of the interests of the bank and to the functioning of the board of supervision.

Article 7. The banks can not be declared in a state of judicial bankruptcy without the previous authorization of the Treasury Department.

Article 8. The distribution of the metallic specie which the bank keeps can be made only in accordance with the provisions which the Treasury Department may decree.

Article 9. In case of extrajudicial liquidation the distinctions which the ordinary laws establish for credits must be observed, unless there is a law to the contrary.

Article 10. The credit institutions which comply with the provisions of Article 2 shall be free from attachment, but shall be subject to the legislation in force in so far as it is not opposed to the provisions of the present law. Therefore I command this to be printed, published, circulated and duly observed.

Constitution and Reforms.

Issued in the City of Mexico, September 15, 1916.

V. CARRANZA

File No. 812.516/135

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, September 20, 1916, 7 p. m.

408. My 388, September 10, 10 p. m. The banks mentioned were forced to pay the four hundred thousand pesos in specie.

PARKER

File No. 812.516/137

The Secretary of State to the French Ambassador

DEPARTMENT OF STATE,
Washington, September 25, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your excellency's note of September 18, 1916, in further relation to the action of the *de facto* Government of Mexico, in requiring the bank of London and Mexico, and the National Bank of Mexico to redeem a large portion of their bank notes, at par, in coin.

In reply I have the honor to inform your excellency that, in compliance with your request, I have sent several copies, in translation, of your note to the American commissioners, at New London, Connecticut.

Accept [etc.]

ROBERT LANSING

File No. 812.516/141

Mr. Parker, representing American interests, to the Secretary of State

[Telegrams]

MEXICO CITY, September 28, 1916, 10 p. m.

435. Virtual confiscation National Bank and Bank of London and Mexico under Carranza's recent banking decree was accomplished yesterday. Details printed to-day here by authority Finance Department which I understand press censors last night refused to allow to go to United States papers. National Bank submitted to Government assuming control, merely making formal protest by management. London Bank refused to turn over property until overcome by soldiers sent to bank at the request of Subsecretary of Finance. Officials of both banks refused to yield up combinations of vaults which hold many millions pesos gold and silver reserves. Reported to-day that these combinations had been placed in keeping of French and Spanish Ministers but this is not confirmed. Wholesale arrests

were made this afternoon of the directors and other officials of the banks because they refused to open the vaults. Most of prisoners are Mexicans but there are said to be several French nationals among them. British manager of London Bank hiding to-night in club. One result of the Government's action in seizing these banks has been greatly to lessen the value of the notes of both institutions, temporarily at least. This effect is significant as indicating entire lack of public confidence in Government's design. Cabrera statement as to object of decree and position taken by banks in depreciating Constitutionalist currency as printed in United States papers misleading as a whole and is absolutely erroneous. Depreciation in bank notes due to confiscations especially serious in effect which threatens to have upon other banks most of whom hold large sums in these notes as part of their assets. Nothing which this Government has done thus far promises to have such grave results in way of unsettling financial and business conditions generally. Government to-night refused to let this story pass the censors. One newspaper man asked Minister for Foreign Affairs to o. k. a story which he had written and Minister returned it to him with the statement that "there was enough in it to kill all the Constitutionlists in Mexico". M. [Murray]

PARKER

File No. 812.516/145

MEXICO CITY, *October 12, 1916, 7 p. m.*

481. Department's 474, October 10, 6 p. m. Following is substance of memorandum given me by manager Bank London and Mexico:

The decree issued by the Carranza Government on the 15th of September, 1916, endeavors to cancel concessions granted to the National and London Banks. On the 29th September, 1915, the Carranza Government issued a decree compelling the banks of issue to have metallic reserves in their vaults equivalent to fifty per cent of their note issue, giving them a period of forty-five days to act on this decision so as to comply with their charters and the existing banking decree. After several banks had complied with this decree a statement came out in the newspapers and also in the official organ of the Government that the banks had complied with said decree and their charters were recognized to be valid and that they were at liberty to go on transacting business as before. It may be necessary to explain that the reason why the decree of September 29, 1915, was given was that all banks in Mexico were authorized by the Government of Huerta to issue bank notes at the rate of three to one so that they might be able to let him have the loan of fifty millions which the banks were at that time obliged to accept. The Carranza Government derogated the faculty of issuing three to one and in this way endeavor to annul everything by the Huerta Government. A few days after present decree was issued the Government appointed sequestration committees for the National and Mexico Banks and on these institutions refusing to deliver over their holdings in accordance with the decree soldiers sent immediately to take charge of the buildings, and later the managers of both institutions were arrested and taken before the military commander of the city who practically compelled them to permit the sequestration committees to enter the banks authorizing the latter however make all protests that they might care present and daily both banks have made protests against the high-handed procedure adopted and they will go on making these protests as long as they are allowed to enter their offices. The sequestration committees appointed for the National and London banks are now counting and weighing the metallic reserves which will be in their possession as soon as said operation is completed.

PARKER

File No. 812.516/148

MEXICO CITY, *October 27, 1916, 8 p. m.*

527. Department's 507, October 24, 6 p. m. According to paragraph 3, article 5 of the decree dated September 15, 1916, the commission now in charge of the banks, after obtaining authorization from the Department of Finance, has the right to liquidate the banks if within sixty days from said date they have not increased their metallic reserves to the amount of the bank bills in circulation. By the terms of the same decree the commission has no right to dispose of the bullion reserve. On the contrary, paragraph 1, article 5 stipulates that commission must preserve the metallic specie. This provision expires on November 15. According to article 3 of the decree the banks can perform only such operations as tend to preserve the interests of the banks, but even in such cases only with the authority of the Government intervenor. In practice the banks have been prevented from carrying on any kind of operations even to the extent of stopping the payments of deposits until new decree shall have been issued stipulating the form in which deposits have to be paid.

PARKER

File No. 124.123/130

Mr. Thurston, in charge of American interests, to the Secretary of State

[Telegram]

AMERICAN EMBASSY,
Mexico, November 23, 1916, 3 p. m.

577. Have assumed charge and have been received by Foreign Office.

In absence specific instructions and in view of necessity many communications to Foreign Office, have assumed "in charge of American interests", subject to Department's approval or substitution.

THURSTON

File No. 124.123/130

The Acting Secretary of State to Mr. Thurston, in charge of American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, November 25, 1916, 4 p. m.

Action reported your 577 approved.

POLK

File No. 812.516/153

The French Ambassador to the Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, December 9, 1916.

MR. SECRETARY OF STATE: Referring to the oral remarks I have had occasion to make to your excellency in the course of recent conversations, I have the honor to inform you that my Government has

asked me again to call to your most earnest attention the situation in which the Mexican *de facto* Government has placed the banks and, in particular, the National Bank of Mexico.

* * * As you know, I had, by direction of my Government, to go to Shadow Lawn on October 10 last, to talk over those very grave matters with the President of the United States in person. President Wilson unhesitatingly admitted that they would not be acquiesced in.

They had given occasion to my Government to enter a formal protest with the Minister of Mexico at Paris. As the protest makes a detailed statement of the nature of the French interests involved and of our view of the recent Carranzist measures which may be brought to bear on American as well as on French citizens, it occurred to me that your excellency might be pleased to peruse that document and I have the honor to enclose a copy for your information.

Seemingly changing its mind as to the means of obtaining funds, the Carranzist Government lately applied to the National Bank with propositions looking to a loan agreement. The application in itself constituted an implicit recognition of the lack of absolute value in the Decree of September 15, which could be enforced or infringed at the will of the *de facto* dictator. The proposition, in fact, tended to diminish the cash in hand, which the decree ordered to be increased.

The situation in which the National Bank was then placed was all the more awkward as the Mexican authorities evinced an intention to negotiate with it alone and to acknowledge, through special favors from which other banks would be excluded, the good will it would evidence; the other banks would be put under receivers. It also realized that refusal would expose it to further exactions, all the more as it knows it is reproached by the *de facto* Government for not denying assistance to that which preceded it, which was but very natural anyway since that other Government had likewise been recognized as a *de facto* Government by France.

Upon examination of these several points and of the nature of the guaranties offered by the Carranzist authorities the bank's committee answered them that:

1. That the bank could not conclude anything as long as the unwarranted provisions of the decree of September 15, which must be repealed first, subsisted;

2. The questions of eventual redemption of its notes in coin and of collection of its debts in good currency, must before anything else be settled through a moratorium, giving it legitimate satisfaction;

3. It is not possible for the National Bank to part with the other banks and particularly with the Bank of London, which represents general interests for which the first named bank considers itself jointly responsible and the decree of September 15 must be abrogated for the one as for the other, without prejudice to a friendly endeavor freely to bring about a consolidation of the two institutions, as seems to be the wish of the Mexican Government;

4. The security which is offered and consists of railway stock deposited in New York is delusive; the rehabilitation of the railways will require large sums of money induced and the latest lenders, if any, will demand and will necessarily be given the supervision of the business; so that the stock, third in order of preference, that is offered by the Government, does not represent any value and does not constitute a moral guaranty any more than a commercial security. The Mexican Government then should offer other reliable securities and first institute reforms apt to reassure the banks as to its general solvency;

5. No arrangement will be of any advantage to the Government, or the bank, or Mexico so long as the financial question shall not have been settled as a whole, that is to say in such a way as to insure, in the near future, a well balanced budget, an improved rate of exchange, and a sound, untrammelled currency. The contemplated loan is but an expedient which would drive out of the country a few millions of metal without in the least improving the present and future conditions.

Lastly: The National Bank Committee has instructed its representative in Mexico to declare to the Carranza Government that in the undertaking to carry out necessary reforms in Mexico in accordance with a methodical national plan it will be given the banks' fullest cooperation.

In asking me to bring this answer of the National Bank to your excellency's knowledge my Government directed me to say to you that it had met with its full approval. The Government of the Republic regards as inadmissible the proposition that part of the French interests may be sacrificed while Mr. Carranza would condescend to spare others as he might see fit and consider that the repeal of the decree of September 15 stands as a condition antecedent to any agreement.

It stands to reason and I need hardly add that the necessity in which French interests are placed to take as many precautions as possible for their safeguard, does not in any way imply a disposition on their part to oppose the Government of Mr. Carranza, duly recognized by us, who in so doing followed the example set by the Government of the United States, as a *de facto* Government or to take sides in the internal politics of Mexico. The institutions concerned have no other desire or indeed interest than the maintenance of order and of any Government that the country may wish to take unto itself. But the management of those banks, which many of our fellow citizens have entrusted with their savings cannot any more be lured with idle promises or accept empty guaranties than they can tolerate the seizures which this or that dictatorial and certainly illegal decree would aim to permit.

The assurance which your excellency was pleased to give me and those I have received from President Wilson himself are my warrant that the views of the Governments of the Republic and of the United States coincide in this respect and that we may rely upon the high authority of the American Government supporting our own action tending to prevent and if need be seek reparation for any spoliation.

Be pleased [etc.]

JUSSERAND

[Inclosure—Translation]

The French Minister of Foreign Affairs to the Mexican Minister at Paris

PARIS, October 18, 1916.

You were pleased to communicate to me, under date of the seventh of this month, two telegrams you had received from your Government to the effect that no prejudicial measure had been taken in Mexico against the banks and that the Government's action had been confined to suppressing privileges.

I have the honor, in reply to that communication, to lodge with you the French Government's formal protest against the measures decreed by the Mexican Government in regard to the banks by reason of the French capital they represent and of the legitimate French interest which the new regulations greatly affect.

The preamble to the decree of September 15, as also the communications of which you were pleased to deliver copies to me, seem to be prompted by the

idea that the concessions granted to the banks were unconstitutional and, furthermore, that those institutions did not live up to their engagements. In addition they have been reproached with being instrumental in the depreciation of paper money and thereby comprising the credit of the State.

Those charges rest on no foundation in point of equity, of law or of fact. So far as the alleged illegal character of the concessions is concerned, the *de facto* Government of which Mr. Venustiano Carranza is the head, seems to lose sight of the fact that the question is not one of rights it may cancel at will, but of bilateral instruments carrying mutual rights and obligations on both sides, and it stands in opposition to the principles of law, sanctioned by the legislation of all countries that a bilateral contract cannot be terminated at the will of one of the parties, the instrument being the law of the parties. It was the faith in the pledges given by a regularly constituted Mexican Government, in the name of the Mexican State itself, that brought over large French capitals wanted to develop the property of Mexico for investment in that country under the protection of the pledged word of the Mexican people and the guaranty of stipulations that were freely agreed upon and regularly recorded. Modifications made in those compacts without the simultaneous consent of the interests concerned can but be regarded by the Government of the Republic as an arbitrary act tending to destroy to the prejudice of its nationals and contrary to justice, a régime based on unquestionable rights.

No substantiated cause can be seriously invoked in support of such a denunciation of those conventions, some of them of more than thirty years standing, which lived intact under the Governments—many and varied as they were—that have succeeded one another since their birth. The banks cannot be reproached with a violation of their charters and, in particular, in the special matter of the ratio existing between their metallic holdings and circulation, it is well known that the National Bank holds metallic cash in hand representing about fifty per cent of its circulation, and the Bank of London over fifty per cent, which is entirely within the prescribed limit, even though no account should be taken of later acts authorizing a wider margin. Besides, your Government itself acknowledged the condition of the banks to be quite regular when, under the decree of September 29, 1915, a commission of inspectors upon a thorough investigation had to pass upon the observance of the concessions. In its decision the commission declared:

1. That the National Bank meets the requirements of its concession.
2. That it has availed itself of the privileges granted by its concession in such manner as to stay within the required conditions of solvency in accordance with the general principles of banking economics.

3. That the concession cannot be, and is not declared to be forfeited.

So positive affirmations make it all the more difficult to understand what may be the foundation for the measures which give rise to the present protest of the French Government. For, as regards the depreciation of paper money everybody knows what are the constant phenomena that bring its value down, not only in Mexico but in the countries which would, under similar conditions, undergo the same hurtful experience. It does not lie in the power of any financial institution to interfere with the operation of ineluctable economic laws, and besides even if the banks had had the power it is obvious that they would never have consented to lead a policy of which they were to be the first victims and which could only mean enormous losses to themselves; as a matter of fact, every new fall of a few points on the quotations of paper money had its immediate effect on their assets by decreasing their value in amounts soaring into the millions. The part played by the banks in the matter and the Minister of Hacienda of Mexico, so acknowledged, was to check as far as possible the collapse of the rates.

That beneficent part was not unnoticed by public opinion, therefore, one is somewhat astonished when reading in the telegram of September 28, communicated by the Mexican Legation, that the new measures were taken "for the protection of the interests of the public." The public never gave any signs of distrust, and the rates at which the notes of the National Bank and of the Bank of London stood, prove it. In the last two years there was heard of but one attempt at claiming coin payments of the notes, which attempt was instigated for a purpose that need not be discussed here, and was doomed to failure when the three instigators themselves desisted.

The Government of the Republic is unable to discover the reasons which impel the *de facto* Government of which Mr. Venustiano Carranza is the head, to act with such rigor through dictatorial decrees without any legislative re-

straint and without leaving a recourse at present open to the interests thus wronged to indicate their rights in judicial hearing before an independent jurisdiction. It cannot suppose that the First Chief had it in mind, when hitting those institutions to attempt to carry out the democratic program of his Government by destroying alleged financial oligarchies said to be obstacles to the aspirations of his country. Such an idea would be wholly at variance with the facts, for the French interests involved in those institutions have, like the institutions themselves, strictly kept aloof from any political activity or anything that could in the least be an incorrect attitude toward the established authorities. On the other hand the considerable French interests which France proposes to protect are represented in this case by popular savings; the French capital invested in Mexico was for the most part gotten together by the aggregation of small holders who have not parted with their stock, clerks, domestic servants, city and farm laborers, those lowly classes whose hard earned savings were contributed have placed their trust in Mexico and have a right to count upon the word of the Mexican Government which offered its guaranty thereof.

The Government of the French Republic cannot bring itself to believe that the *de facto* Government of which Mr. Venustiano Carranza is the head will not modify the measures it has taken and adhere to Mexico's loyal observance of its undertakings.

The French Government has instructed its Minister to Mexico to formulate these express reservations to the *de facto* Government of which Mr. Venustiano Carranza is the head, and has the honor so to inform you in reply to your communication of the 7th of this month.

It firmly hopes that your Government will acknowledge that they are well founded and in any event adhere to its resolution to seek at the proper time reparation for the injuries suffered by its nationals.

File No. 812.516/155

Mr. Thurston, in charge of American interests, to the Secretary of State

[Telegram]

MEXICO CITY, December 16, 1916, 5 p. m.

Decree issued to-day as follows:

Article 1. Those banks of issue which have not completed their reserves to sum equalling bill emissions, in conformity decree September 15, 1916, are declared in liquidation.

Article 2. Board of receivers named conformity decree September 15, 1916 will proceed to liquidate active and passive funds of respective institutions subject dispositions said decree.

Article 3. Board will cite all debtors, creditors of bank, present proofs liquidation, respective accounts and remit to Treasury Department report on active and passive funds, condition of reserve with reference to amount and equality thereof, cash on hand, bills in circulation, also classification of said values according to ease or difficulty collection.

Article 4. For present only, active credits of banks may be liquidated with bills and checks of bank concerned, which may be immediately turned in by debtors of bank in payment their obligations at integrate value represented by documents.

Article 5. If, from report rendered by board receivers, appears bank is incapable of covering passive with funds of active Treasury Department will order its judicial liquidation conformity decree September 15, above cited.

THURSTON

File No. 812.516/156

The French Ambassador to the Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, December 28, 1916.

MR. SECRETARY OF STATE: My Government has communicated to me the text of the decree dated the 14th [16] of this month by which the Carranza Government orders all the banks of issue in Mexico which shall not have increased their metallic cash in hand as required by the provisions of the decree of September 15 last, to be put into liquidation by ministerial or judicial act.

As your excellency may have seen from a perusal of that document which I deem to be in your hands, far from amending or mitigating the previous one, the decree of December 14 [16] fully confirms it and rests on its provisions the institution of even more violent measures.

The Government of the Republic which never ceased to urge the repeal of the decree of September 15, advises me of its intention to enter the most formal and energetic protest both at Mexico with the Carranza Government and at Paris with the Legation of Mexico against these new measures taken against the banks. * * *

It was just at the time when it was seemingly negotiating an arrangement with the banks, as I had the honor to state in my letter of the 9th of this month to your excellency, that the Carranza Government was preparing against them the brutal spoliation measure it has just made public.

It is proper further to remark that there is all the less warrant for the measures just taken by the Mexican Government as, since the date of the last decree, it has bought of the National Bank upwards of one million silver dollars and on the other hand for over a month has been pressing the same bank for a loan of eight millions in coin.

Your excellency will easily admit that those transactions and negotiations wholly invalidate the reasons invoked in justification of the decree of December 14.

Be pleased [etc.]

JUSSERAND

PROTECTION OF AMERICANS AND AMERICAN INTERESTS—MASCARE OF AMERICAN CITIZENS AT SANTA YSABEL—DEPREDACTIONS OF YAQUI INDIANS—OTHER DEPREDACTIONS BY VILLISTA BANDS

File No. 312.115C96/1

The Secretary of State to Consul Edwards

[Telegram]

DEPARTMENT OF STATE,
Washington, January 3, 1916.

Reported Villistas recently looted properly Cusi Mining Company, American concern, about eighty miles west of Chihuahua.

Request Obregon send troops punish looters and protect.

LANSING

File No. 312.115B11/90

Collector Cobb to the Secretary of State

[Telegrams]

EL PASO, January 11, 1916, 11 a. m.

Manager of American Smelting & Refining Co. has just given me confidential message from employee at Chihuahua as follows:

Three, yesterday afternoon, passenger train with Cusi [Mining Co.] employees was held up by bandits at Kilometer 68, shooting C. R. Watson, W. J. Wallace, M. B. Romero, Thomas M. Evans, Charles A. Pringle, Maurice Anderson, R. P. McHatton, J. P. Coy, Alex Hall, Charles Wadleigh, E. L. Robinson, George W. Newman, R. H. Simmons, A. H. Couch, H. C. Hase, Thomas Johnson, J. W. Woon, W. D. Pearce. Will give details later.

The *de facto* authorities are unequal to the necessities of the situation.

COBB

File No. 312.115C96/5

EL PASO, January 11, 1916, 2 p. m.

Murder of Watson and companions confirmed. An American of the party, name unknown, escaped and reported facts.

COBB

File No. 312.115C96/15a

The Secretary of State to Collector Cobb

[Telegram]

DEPARTMENT OF STATE,
Washington, January 11, 1916, midnight.

Earnestly seek cooperation of Juarez and Chihuahua authorities to give every facility to special train being sent by friends of deceased Americans who met their deaths at hands of bandits yesterday to the end that the bodies may be recovered. If transfer of bodies to El Paso impracticable, use every effort to have them given decent burial and have graves marked for identification and removal later.

Request authorities Chihuahua to send forces against bandits for capture and punishment.

LANSING

File No. 312.115C96/16

Collector Cobb to the Secretary of State

[Telegrams—Extracts]

EL PASO, January 12, 1916, 11 a. m.

Department's January 11, midnight. Am in Juarez conferring with General Gavira and Consul Garcia. They are endeavoring to comply with Department's request transmitted by me. General Gavira states he has already sent troops out on Northwestern road from Juarez and that he has been informed by General Treviño that troops have already been sent west from Chihuahua over that division of Northwestern.

COBB

File No. 312.115C96/18

EL PASO, January 12, 1916, 11 a. m., No. 2.

Just returned from Juarez where a courteous and positive conference led to apparently satisfactory results so far as Juarez officials go. Mexican authorities there deeply impressed by gravity of situation and show a present eagerness to cut.

COBB

File No. 312.115C96/17

EL PASO, January 12, 1916, 4 p. m.

Following is substance of facts as seen by Thomas B. Holmes, only American survivor of Santa Ysabel massacre, as condensed by me with his sanction, which he is also giving to the press:

Our train left Chihuahua January 10 about 11 a. m. Was stopped at or about Rancho Baeza, a point about five miles west of Santa Ysabel, between 1.30 and 2 o'clock that afternoon. Last car was just inside a cut. Evans, Newman, MacHatton and I were the first to get off; Watson was getting off or about to get off the steps behind us. Just after alighting I heard a volley of rifle shots from other side of cut and just above train from a bunch of twelve or fifteen men standing shoulder to shoulder and shooting directly at us, between 50 and 75 feet from us. The back end of the coach shut off my view so I could not see how many bandits there were. Watson, after getting off ran at right angles to the train toward the river. MacHatton and I were directly behind Watson on the bank of the cut. MacHattan fell. They were still shooting at Watson when I ran diagonally back from the train down grade, where I fell in some bushes probably 100 feet from the rear of the train. I lay perfectly quiet and looked around. Seeing they were not shooting at me and thinking they believed me already dead, I took a chance and crawled into some thicker bushes until I reached the bank of the stream at about 100 yards from the train. There I lay for half an hour and heard the shooting, as they were evidently finishing the Americans. Then I continued farther under the bank, wading the stream part of the time, to a point probably 200 yards from the train. There I remained a half or three-quarters of an hour. Later, after going to several ranch houses and picking my way cautiously for several miles, I met an unknown Mexican who directed me to Chihuahua. I arrived January 11 about 7.30 a. m.

COBB

File No. 312.115C96/24

EL PASO, January 12, 1916, 4 p. m., No. 2.

Following facts as gathered from other Americans and passengers are accepted as true by our Americans:

The bandits were commanded by Colonels Pablo Lopez and Beltrán both of whom were Villa colonels, and by a General Reyna. The firing squad consisted of about 85 men, backed up by about 500 other armed men who are said to have been further back upon the hill. Those who voluntarily left the train were killed while trying to make their escape, while others were taken off the train and shot. After the massacre these bandits robbed the train and retired to Carretas a few miles distant. Santa Ysabel is in the heart of the Villa country.

COBB

File No. 812.00/17080

The Secretary of State to Special Agent Silliman

[Telegrams]

DEPARTMENT OF STATE,
Washington, January 12, 1916, 4 p. m.

Department informed railway communication between Durango and Torreon interrupted, with no hope of resumption within 30 days; that three large steel bridges have been destroyed; and that between 2000 and 3000 Villistas are operating along the railroad. Four thousand Carranza troops in Durango, owing to reported friction between their leaders, show little disposition to improve the situation. It appears also that these troops are not being paid and are living off the country.

Urgently bring the foregoing to the attention of General Carranza and request that he order immediately adequate forces to vicinity of Durango, Torreon and Gomez Palacio in order to prevent a repetition of outrages.

LANSING

File No. 812.115C96/10

DEPARTMENT OF STATE,
Washington, January 12, 1916, 11 p. m.

On January 10, C. R. Watson, chairman of the Mine & Smelter Operators Association, of Chihuahua, and general manager of the Cusihiuriachic Mining Co., with 15 of his associates, all representative Americans, while *en route* from Chihuahua to their mines were taken off the train 40 miles west of Chihuahua City, by bands operating under the direction of General Villa, stripped naked and deliberately shot and killed. Their bodies are being brought to El Paso. It is stated that these men were murdered because they were Americans, and were killed in accordance with the general policy publicly announced recently by Villa. This atrocious act occurred within a few miles of Chihuahua City, in territory announced to be in control of the Carranza forces. The Villa bands roaming about in western Chihuahua publicly threaten all Americans with death, and destruction of their property. Following the occupation of Chihuahua by Obregon's forces, many Americans returned to Chihuahua to resume operations, with the consent of the military authorities of the *de facto* Government.

Urgently bring the foregoing to the attention of General Carranza and request that he order immediate efficient pursuit, capture and punishment of the perpetrators of the dastardly crime above mentioned; also strongly urge the immediate despatch of adequate forces to the various mining camps in the State of Chihuahua.

Request to be informed of action taken.

LANSING

File No. 312.115C96/10

The Secretary of State to Mr. Arredondo

DEPARTMENT OF STATE,
Washington, January 12, 1916.

SIR: I inclose herewith a copy of a telegram which I am to-day sending to Consul John R. Silliman, at Querétaro, Mexico, in regard to the cruel murder by outlaws of sixteen American citizens in the State of Chihuahua. I also inclose a copy of another telegram addressed to Mr. Silliman relative to conditions in the State of Durango.

I shall appreciate it if you will take such action as may be possible, to the end that a vigorous campaign be instituted against the bands of outlaws now operating in the states mentioned.

I am [etc.]

ROBERT LANSING

File No. 312.115C96/46

Mr. Arredondo to the Secretary of State

WASHINGTON, January 12, 1916.

MY DEAR MR. LANSING: I have the honor to acknowledge the receipt of your excellency's note of this date, with its enclosure, relative to the murder by Villa forces of sixteen American gentlemen near the city of Chihuahua, and of the situation in the State of Durango. Your excellency may feel assured that my Government and myself deeply deplore the dastardly action of the Villa forces and that efficient action will be taken to bring the murderers to justice, and that my Government will also take the necessary steps to remedy the situation in the State of Durango. This latter matter has already been brought to the attention of Mr. Carranza, and while I feel certain that he will omit no effort to bring the murderers of the above-mentioned American gentlemen to justice on his own initiative, I have nevertheless communicated with him by wire on the subject.

Renewing [etc.]

E. ARREDONDO

File No. 312.11/7186

The Secretary of State to Consul Edwards

[Telegram]

DEPARTMENT OF STATE,
Washington, January 12, 1916.

Request military authorities immediately send adequate forces for protection Madera Lumber Company mills in and about Madera threatened with destruction by Rodriguez.

LANSING

File No. 312.115C96/29

Collector Cobb to the Secretary of State

[Telegrams]

EL PASO, January 13, 1916, 3 a. m.

Train with bodies reached El Paso without mishap at 2.15 this morning, guarded by 20 to 25 soldiers and about 10 Americans armed by permission of Mexican authorities.

COBB

File No. 312.11/7202

EL PASO, January 13, 1916, 11 a. m.

2. American Smelting and Refining Company has telegraphed manager at Chihuahua to come out and to bring various other Americans out associated with them. I am informed similar telegrams will go to Parral district from Alvarado Mining Company and to Madera district by Hearst manager and Madera Lumber Company. Smelting officers requested that I intercede with Mexican officials here with request that they be furnished adequate guard of soldiers for trip from Chihuahua to El Paso which it is their desire to have made as a day run. I will immediately comply with their request and also respectfully recommend that Department call upon representative in Washington of *de facto* Government to have instructions hastened without delay whatsoever to General Treviño in Chihuahua to expedite trip and to furnish guard of mature men in sufficient number as distinguished from boys or immature soldiers frequently used for such purposes.

It is respectfully urged that all Americans from State of Chihuahua should come up. I am convinced that *de facto* authorities are incapable of protecting them especially because of the limited number of forces in the State of Chihuahua. This applies to Americans around Casas Grandes, residents of Chihuahua and Parral and Americans wherever they can be reached.

COBB

File No. 312.11/7204

EL PASO, January 13, 1916, 2 p. m.

Conferred with General Gavira in Juarez. He assured me troops would be hastened to Madera and that he would take up with General Treviño matter of providing adequate guard for train to-morrow from Chihuahua to El Paso.

Juarez authorities so far display desire to please us. *De facto* forces in this section are however insufficiently organized and I think uneasy as to their security. The many Villa troops who have been disarmed and mustered out and who are in Chihuahua and Juarez without employment constitute a problem which would have been unnecessary had they been sufficiently organized to distribute these people. Their haste to get ammunition out of Juarez, and beyond reach of any possible uprising, expresses their anxiety and I think weakness.

COBB

File No. 312.115C96/38a

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,
Washington, January 13, 1916, 5 p. m.

You will read the following to General Carranza:

The massacre of Americans near Santa Ysabel has justly caused intense excitement throughout the country and is arousing severe criticism as to the ability of the *de facto* Government of Mexico to perform its international obligations. Continuance of this attitude of the public mind may create a grave crisis with far-reaching consequences. The only way that this excitement can be allayed is by prompt and vigorous efforts on the part of the Mexican military authorities to capture and punish the responsible parties. To do this a body of troops should be sent in pursuit of the bandits, sufficiently large to insure their certain capture when overtaken. Furthermore, military protection should be immediately furnished Americans now in disturbed region and they should be conducted to places of absolute safety from lawless attacks.

Impress upon General Carranza the vital importance of these steps and of prompt action as the situation is growing more and more critical every hour. General Carranza can prevent the rapid spread of this sentiment by efficient action in this case.

LANSING

File No. 312.11/7209

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, January 14, 1916, 11 a. m.

My January 13, 11 a. m. Train bringing employees American Smelting and Refining Company and others from Chihuahua left there this morning 8.30 and should reach El Paso about dark.

COBB

File No. 312.11/7210

The Secretary of State to Consul Edwards

[Telegram]

DEPARTMENT OF STATE,
January 14, 1916, 5 p. m.

Urgent. Department learns serious situation prevailing at Matamoros. Urgently request adequate force be sent to that place for protection of foreigners against bandits.

LANSING

File No. 312.115C96/36

The Secretary of State to Collector Cobb

[Telegram]

DEPARTMENT OF STATE,
Washington, January 14, 1916, 5 p. m.

Ascertain whether Watson and companions requested military escort, or guard for their trip from Chihuahua to Cusiuhiriachic. If so, did authorities refuse to furnish same? If not, why?

what assurances, if any, Watson and companions had received from Mexican authorities that it would be safe to resume operations at Cusiuhiriachic.

LANISING

File No. 312.115C96/43

Special Agent Silliman to the Secretary of State

[Telegram]

QUERÉTARO, January 14, 1915, 6 p. m.

General Treviño informed the First Chief to-day that the Villista Generals José Rodriguez and Carlos Amaya were apprehended yesterday at Pearson and shot last night. A reward in gold is offered for the perpetrators of the Santa Ysabel outrage. The sternest measures will be taken against all Villistas, who are all considered bandits and outlaws.

It is again requested that the military and immigration authorities cooperate by denying refuge in the United States to these outlaws.

SILLIMAN

File No. 312.11/7211

Collector Cobb to the Secretary of State

[Telegrams]

EL PASO, January 14, 1916, 11 p. m.

My January 14, 11 a. m. Train reached Juarez and passed without delay to this side about 8 o'clock, bringing fifty-two Americans.

The passengers included American employees at Chihuahua of Smelting Company and Potosi Company, excepting Wm. J. Quigly, who remained to gather other Americans and bring them out as the Baskin [?] train returns from Parral. It is supposed to have reached Parral to-night and should get back to Chihuahua Sunday morning. This will give time for the remaining Americans there to get ready.

COBB

File No. 312.115C96/45

EL PASO, January 15, 1916, 6 p. m.

Department's January 14, 5 p. m. Holmes, the only survivor of the massacre, has no knowledge as to whether Watson and companions requested military escort or guard for their trip from Chihuahua to Cusiuhiriachic, nor, if so, whether authorities refused to furnish escort or guard. He says he and the others felt safe in making the trip.

F. E. Stevenson, who is secretary of the Cusi Mexicana Mining Co., a property adjoining the Cusi mines, and also secretary of the Mine & Smelter Operators' Association of Mexico, had occasion to confer with Watson about association matters on the morning the party left Chihuahua, January 10. In that conference Watson stated that he and party were leaving that day for the Cusi mines and Stevenson asked him if a Mexican escort was to accompany them.

He advised Stevenson that such escort would not accompany them, as he had talked with the authorities and they told him it was not necessary.

As to what assurances, if any, Watson and companions had received from Mexican authorities that it would be safe to resume operations at Cusihiuriachic: The immigration authorities in Juarez, knowing that the purpose of the return of Watson and companions to Mexico was to resume operation of the Cusi mines, upon application of the El Paso agents of the Cusi Company gave a general passport to the Watson party. The Governor of Chihuahua also gave a personal passport to Watson. Watson went to Chihuahua and was there on January 4 to ascertain if it would be safe to resume operations. While there he got the *de facto* authorities to send a garrison to and maintain it at Cusi. On that day three trains of troops of 20 cars each, supposed to carry a total force of 1000 men, in charge of General José Cavazos of the *de facto* Government, left Chihuahua for Cusi at 9 a. m. and 1.30 and 4 p. m. respectively; the 1.30 train also carried the Mexican civilians Lopez and Loweree, employees of the Cusi Mining Co., Eduardo Henriquez, employee of the Cusi Mexicana Co., and Pascual Aliaga, employee of the Minas San Juan y Anexas Co. Said Henriquez is a brother of the *de facto* Governor of the State of Chihuahua. After being satisfied that a garrison was going to the camp and after the second military train had left Chihuahua, Watson left for El Paso at 4 p. m. On January 6 Watson telegraphed the Chihuahua agent: "Wire if troops arrived Cusi, and trains running North Western". To which the agent replied on the same day: "Troops arrived Cusi. Since yesterday evening North Western trains suspended indefinitely, account no fuel". On the same day the agent also telegraphed: "Cusi office again reports everything quiet," and, "Lopez telephones: 'We have just located two missing bags and we are now receiving same in our office.'" The missing bags referred to were silver that had been stolen during a previous looting of the camp, and perhaps indicated to Watson a restoration of order with the establishment of the military garrison. Having passports issued by authorities, and a garrison having been established which they understood to number 1000 men, they had ample assurances that it would be safe to resume operations at Cusi.

Upon the question of safety *en route*: The *de facto* authorities had run their three military trains to Cusi on the 4th and, as afterward came to the notice of the party, was that day running a special to pick up and bring back the National Railways equipment used for those three trains. The crew in charge of this special were employees of the *de facto* Government. The first information that the North Western Railroad officials had of it was the notice at Chihuahua when the train was ready to leave Chihuahua that morning. It was derailed at Kilometer 68 by the fact that two rails had been removed from the track. The first information that the North Western officials had of the derailment of the train was received at Chihuahua between 2 and 3 o'clock. As the passenger train containing the Watson party left Santa Ysabel at 1.20 and had only 2 kilo-

that the information first received at Chihuahua of the derailment of the special train was after the massacre of the party in the passenger train. Furthermore, when General Obregón was in El Paso and Juarez, in the course of conferences about the railroad he expressed a desire that the operation of the trains should be resumed, particularly referring to the Chihuahua division, where the massacre later occurred. The general freight and passenger agent of the North Western Railroad says he distinctly asked the general if there would be any danger of attack upon the trains, to which he states the general replied there would not be. He also states that General Treviño expressed a similar desire for resumption of traffic. On the evening of January 9 he casually mentioned to the general that a train would be run to Cusi the following day, to which the general replied "Muy bien". This agent states that he does not complain of the intention of Generals Obregón and Treviño.

COBB

File No. 312.11/7217

Consul General Hanna to the Secretary of State

[Telegram]

AMERICAN CONSULATE GENERAL,
Monterey, January 16, 10 a. m.

Sixty Americans and other foreigners connected with the Penoles Mining Company of Mapimi, Durango, have arrived safely by special train in Monterey. The Tlahualilo Americans are at Lerdo and at Torreon. The Asarco Americans accompanied the Mapimi Americans to Monterey. Several days ago I urged the *de facto* Government to send reinforcements to Torreon for protection of our people in that locality and reinforcements have been sent. There has been no telegraphic connection between Monterey and Durango City since the second of January. It is understood that Vice Consul Coen and family and other Americans are in Durango. I am doing everything possible to get our people out of dangerous districts and to prevent others from going into dangerous localities. I believe the Carranza Government is in earnest to improve conditions and prevent further assaults of Americans but I earnestly advise that all our people remain out of dangerous or uncertain localities.

HANNA

File No. 312.115C96/42

Special Agent Silliman to the Secretary of State

[Telegram]

QUERÉTARO, [Undated; received January 16, 1916.]

Department's January 13, 5 p. m., received at 8.20 and immediately placed before General Carranza by me in person. General Carranza said that he had already issued orders for the immediate pursuit, capture and punishment of those responsible for the atrocity. He stated that he believed this outrage was committed by men associated directly with Villa and that it was done specially to provoke international troubles at this time. Said he had declared those responsible outside the law, to be punished with death if caught.

He asked that Villista soldiers who may from this time on take refuge in the United States be apprehended by the military authorities without civil process, to be delivered to the military authorities of Mexico. He appeals to the Secretary of State and to the public of the United States to consider the wide strip of the Central Railway, the great difficulty of guarding the entire distance, and the comparatively easy task of destroying a train or attacking a small place. Says that nobody can lament more than he such an atrocity or be more concerned about it, but that protection is relative and that even in the best requested [regulated?] states outbursts of disorders and lawlessness may cause destruction of property and loss of life. He says he is expecting full reports from General Treviño and that all efforts will be made to protect Americans and any other foreigners who may be in the district. His belief is that the massacre was made premeditatively by a band who fled at once after the raid.

SILLIMAN

File No. 312.11/7232

Admiral Winslow to the Secretary of the Navy

U. S. S. "SAN DIEGO," January 17, 1916, 7.15 a. m.

Latest reports from Yaqui Valley; buildings and crops belonging to Sheldon and Jones on block 90 were destroyed by Indians December 27 during another raid. This ranch was about seven miles to eastward of nearest neighbor.

John Lehr of Suaqui Grande reported to me in person yesterday that during Yaqui raid of November 11 on Suaqui Grande his son 17 years old was killed and following members of his family carried off by Indians: Wife, daughter 23, daughter 14 and two boys 7 and 5 respectively.

I wrote a letter to the Yaqui Indian Chief Juan Montero requesting that his family be liberated, they being American citizens, but as yet I have received no answer. The able-bodied men of the Mayo Indians who surrendered have been enlisted into the Carranza Army while the other members of the tribe in large numbers have been sent to the southward on trains and it is probable they will return to the Fuerte Valley where they were before and being without food may cause trouble later. 19516.

WINSLOW

File No. 312.11/7223

Consul Edwards to the Secretary of State

[Telegram]

EL PASO, January 17, 1916, 9 a. m.

First passenger train in ten days arrived from Casas Grandes, Pearson and the Mormon Colony District at ten last night bringing about twenty-five Americans among whom were dozen women and children. They report having been fully informed in due time of the massacre at Santa Ysabel. A number who arrived came on business and expect to return. They report conditions to them

unalarms as they consider the garrisons at towns mentioned quite sufficient to protect their people. This consul will, however, insist on their sending their women and children to place of safety. The garrison at Casas Grandes numbers 400 and at Pearson 300. These figures are given by Americans of Madera. Little is known that is reliable but nothing of an unalarms nature reported.

EDWARDS

File No. 312.115C96/43

The Secretary of State to the Secretary of War

DEPARTMENT OF STATE,
Washington, January 18, 1916.

SIR: I have the honor to enclose herewith, for such action as may be deemed appropriate, a copy of a telegram from Consul John R. Silliman, at Querétaro, Mexico, dated January 14, 6 p. m., stating that the *de facto* Government of Mexico requests that the military and immigration authorities of the United States co-operate with the Mexican authorities in their efforts to exterminate certain bands of outlaws now operating in the State of Chihuahua, by denying the said outlaws refuge in this country.

A similar letter has been sent to the Secretary of Labor.

I have [etc.]

ROBERT LANSING

File No. 312.115C96/43

The Secretary of State to the Secretary of Labor

DEPARTMENT OF STATE,
Washington, January 18, 1916.

SIR: I have the honor to enclose herewith, for such action as may be deemed appropriate, a copy of a telegram from Consul John R. Silliman, at Querétaro, Mexico, dated January 14, 6 p. m., stating that the *de facto* Government of Mexico requests that the military and immigration authorities of the United States cooperate with the Mexican authorities in their efforts to exterminate certain bands of outlaws now operating in the State of Chihuahua by denying the said outlaws refuge in this country.

A similar letter has been sent to the Secretary of War.

I have [etc.]

ROBERT LANSING

File No. 312.11/7227

The Secretary of State to Mr. Parker, representing American interests

[Telegrams]

DEPARTMENT OF STATE,
January 20, 1916.

Reported *de facto* Government is about to order several thousand Mexican soldiers from Sonora to Chihuahua. Yaqui Valley settlers fear campaign against Indians may be materially affected by such action.

Bring to attention appropriate authorities and express the hope of this Government that campaign against Yaqui Indians be vigorously prosecuted and that troops be not removed from Yaqui Valley.

LANSING

File No. 312.11/7250

DEPARTMENT OF STATE,
Washington, January 22, 1916, 4 p. m.

Reports from Los Mochis state that garrisons there and in Fuerte Valley are inadequate to guard against possible incursion of Villistas from Chihuahua. Request Foreign Office to have adequate protection given settlers Los Mochis district, who have already suffered many hardships from raids by Indians and Villistas.

LANSING

File No. 312.115C96/64

The Secretary of State to Consul Edwards

[Telegram]

DEPARTMENT OF STATE,
Washington, January 25, 1916, 4 p. m.

Following telegram from C. A. Pringle, San Francisco, has been referred to the Department by Representative Kahn:

We have most reliable information that the most casual investigation by the State Department will show that Carranza is not doing anything to apprehend and properly punish those guilty of the massacre of our citizens.

Investigate and report whether there is any foundation for this statement.

LANSING

File No. 812.00/17158

The Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, January 25, 1916.

The Secretary of War presents his compliments to the Honorable the Secretary of State and has the honor to inclose herewith for his information copy of a letter from the commanding general, 8th Brigade, Fort Bliss, Texas, dated January 17, 1916, reporting on border conditions for the week ending January 15, 1916

[Inclosure]

General Pershing to General Funston

FORT BLISS, TEXAS, *January 17, 1916.*

The murder of the Americans near Santa Ysabel, Mexico, on Monday afternoon was reported in El Paso on Tuesday. Most of these men were well known in El Paso and the crime caused great excitement among Americans. The remains arrived in El Paso by special train from Chihuahua on Wednesday night and precautions were taken against disturbance of any sort, but the police and provost guard succeeded in maintaining order. The funeral of several of the victims occurred Thursday. During that day there was considerable talk of revenge and a mass meeting was called for the afternoon by

friends of the victims, but this action was discouraged by the civil authorities and the meeting was not held. That evening the situation indicated that the night would pass without disturbance; but, with the closing of the saloons, which occurs at 9.30 p. m., disturbances suddenly began in different parts of the town. Crowds of several hundred Americans gathered in the principal down-town streets and several Mexicans were beaten before the crowds could be dispersed. Several soldiers on pass joined the crowds, merely as onlookers, although some participated in the ill-treatment of Mexicans. It did not appear to be the purpose of this mob to kill; the spirit was more that of revelry although it would have assumed a more serious aspect if allowed to continue.

During the excitement all responsible citizens of El Paso have used their influence to prevent outbreaks against Mexicans. The leaders in fomenting disturbances have been outsiders, nonproperty-owners and irresponsibles generally. The Mexican commander at Juarez, General Gavira, has taken strong measures to prevent any move on the part of Mexicans on his side of the river. Quiet now prevails in both cities. The relations between the officials of Juarez and El Paso are very cordial.

There are rumors of an early attempt by Villa to stir up Mexicans along the northern border to commit acts of violence against Americans by crying, "Down with the gringos!" as was done on the lower Rio Grande. It is said Villa has declared his intention of retaking Juarez and attacking El Paso. This information comes directly from an ex-officer of Villa's army. The object of all this is said to be to provoke intervention.

There is little confidence in Carranza among Americans coming out of Mexico and many Mexicans are of the same mind. Practically all Americans think him powerless to establish anything like a stable government. It is probably true that many Villistas who surrendered to Carranza are only waiting an opportunity to turn to some strong man. Many speak of Obregon as the ablest man of them all.

JOHN J. PERSHING,
Brigadier General, U. S. Army

File No. 312.115C96/81

Consul Edwards to the Secretary of State

[Telegram]

EL PASO, January 27, 1916, 6 p. m.

Department's January 25, 4 p. m. There is some foundation for the charge made that little is being done to apprehend the guilty parties connected with the Santa Ysabel massacre. So near as known, it is not claimed that a single man personally connected has been apprehended, and that the matter is a secondary consideration with the Carranza authorities is quite evident. I cannot attribute this wholly to lack of disposition on the part of the officials, however, as I am aware that the Carranza Government is distressingly embarrassed financially and has not the adequate sustenance for their men, and their cavalry stock has not the strength to cope with any force operating in the exterior, it being necessary to employ all their vitality for the defensive.

EDWARDS

File No. 312.115C96/81

The Secretary of State to Special Agent Silliman

[Telegrams]

DEPARTMENT OF STATE,
Washington, January 31, 1916, 3 p. m.

Department receiving complaints that little or nothing is being done to apprehend guilty parties connected with Santa Ysabel massacre. Reported none of guilty has yet been captured.

Make discreet inquiry with a view to ascertaining just what is being done to capture and punish murderers.

LANSING

File No. 312.11/7303

DEPARTMENT OF STATE,
Washington, February 5, 1916, 6 p. m.

Urgent. Reported troops have been ordered away from Los Mochis and that entire population leaving with them. American settlers there fear another raid by Indians. Request appropriate authorities to maintain adequate garrison permanently at Los Mochis.

LANSING

File No. 312.11/7332

The Secretary of State to Consul Hostetter

[Telegrams]

DEPARTMENT OF STATE,
Washington, February 18, 1916.

Telegraph what, if anything, can be done, through friendly Indians or otherwise, to obtain release of Mrs. John Lehr and children, still held prisoners by Yaquis in Bacatete Hills.

LANSING

File No. 312.11/7332

DEPARTMENT OF STATE,
Washington, February 19, 1916, 6 p. m.

Telegraph present status promised vigorous campaign against Yaqui Indians, and whether settlers in Yaqui Valley are now adequately protected.

LANSING

File No. 312.11/7362

Consul Hostetter to the Secretary of State

No. 805

AMERICAN CONSULATE,
Hermosillo, February 19, 1916

SIR: I have the honor to acknowledge the receipt of the Department's telegram asking about the possibility of communicating with the Yaquis and trying to secure the liberty of the family of Mr. Lehr. Upon returning to Hermosillo and reopening the Consulate I was notified of the abduction and sent a message to several of the Yaquis but could get no answer. Later I again sent twice and the last time the Yaqui bringing the answer said that I was to be notified when and where to meet Mori or Gomez but they never notified me. I believe they are very suspicious and think it is a trap. I believe the best and surest plan to get word to them is through the Yaquis living in Arizona. The Yaquis living here and the one I sent with notes to Mori may not have gone as they seem to fear the broncos as much as do the Mexicans but those in Arizona are the ones who are fighting here with the broncos and coming and going all the time. They claim Gomez and one other chief speak English very well, in fact the Arizona Yaquis are said to be the best and ablest men the

Yaquis have with them. They are said to have their headquarters in Tucson and whenever hard pressed in Sonora return to the United States. There ought to be someone in Tucson who can secure a messenger to go to the broncos. I have sent for a man whom I understand can come and go to their camps and will try hard to have him take another message for me.

I have the honor [etc.]

LOUIS HOSTETTER

File No. 312.11/7353

Consul Hostetter to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Hermosillo, February 21, 1916, 4 p. m.

Department's February 19, 6 p. m. In response to wire to General Serrano who is conducting campaign against the Yaquis, says that as result of the campaign against the Yaquis the valley is at present perfectly safe, settlers having ample protection. Claims the campaign is being vigorously pushed; has sufficient troops to protect that region.

HOSTETTER

File No. 312.115C96/110

The Secretary of State to Consul Hostetter

[Telegram]

DEPARTMENT OF STATE,
Washington, February 24, 1916, 6 p. m.

You are instructed to call, informally and personally, General Obregon's attention to the lack of sufficient troops in Chihuahua district, which deficiency daily imperils much American property and many lives. In view of the reported defeat of General Cavazos by troops under Villa, the Department has made representations to General Carranza through Silliman, for adequate garrisons in Chihuahua district.

LANSING

File No. 312.115C96/114

Consul Hostetter to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Hermosillo, March 1, 1916, 11 a. m.

Department's February 24, 6 p. m. Obregon just arrived and spoke to him about Chihuahua district. Says he has sent additional troops with very good generals, Herrera and Gutiérrez, who thoroughly know country, with orders to push pursuit and earnestly hopes to have district cleared very soon.

HOSTETTER

File No. 312.11/7371

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,
Washington, March 3, 1916, 7 p. m.

Department reliably informed that guard stationed at Los Mochis until a few days ago has been withdrawn, leaving Los Mochis without protection and that as large consignment merchandise has just been received at Los Mochis there is strong temptation for raiders. Since withdrawal of troops there has been much uneasiness because of reports that Indians were approaching. Bring to attention appropriate authorities and request that permanent and adequate garrison be stationed at Los Mochis.

LANSING

File No. 312.11/7419

Special Agent Silliman to the Secretary of State

[Telegram]

GUADALAJARA, *March 13, 1916, 3 p. m.*

Department's urgent February 5, 6 p. m., duly presented to Foreign Office. While formal reply was not made, understood from Foreign Secretary that representation would have prompt attention.

Department's March 3, 7 p. m., was transmitted on March 4 direct to General Obregon at Nogales. To-day received his reply from Querétaro saying that the situation at Los Mochis has been misrepresented.

SILLIMAN

File No. 312.11/5446

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, March 17, 1916, 4 p. m.

Department informed a large number of Mexican troops have recently been withdrawn from campaign against Indians in Yaqui Valley, and that settlers there fear another disastrous raid may occur. It is also feared that removal of troops from San Xavier District, Sonora, to Chihuahua border will expose that section. Request that campaign against Indians be vigorously prosecuted and that sufficient troops be stationed in San Xavier District for protection American mining companies operating there.

POLK

File No. 312.11/7491

Special Representative Rodgers to the Secretary of State

[Telegram]

QUERÉTARO, *March 21, 1916, 6 p. m.*

3. Department's March 17, 4 p. m. Yaqui Valley situation. Foreign Office to-day replies that the necessary orders have been issued to push with vigor the campaign against the Indians in this region.

RODGERS

File No. 812.00/17721

Collector Cobb to the Secretary of State

[Telegram—Extract]

EL PASO, *April 1, 1916, 11 a. m.*

Villa executed following foreigners in Minaca and Guerrero Monday, 27: Bruce, a Scotchman sometimes called McGregor; Herman Blankenburg, a German; Doctor Stelt, Frank Woods, Lee Lindesley and possibly Ben Snell, last four Americans. J. H. Locke escaped.

COBB

File No. 312.11/7597

Consul Simpich to the Secretary of State

[Telegram]

NOGALES, ARIZONA, *April 15, 1916, 5 p. m.*

Telegraphic reports to Calles say family of John Lehr captured in November by Yaquis has been rescued by General Martinez and will be returned first opportunity to Lehr at Saqui Grande. District continues quiet. Agents report Cananea and Ensanada orderly.

SIMPICH

File No. 312.11/7630

Consul Hostetter to the Secretary of State

No. 821

AMERICAN CONSULATE,
Hermosillo, April 21, 1916.

SIR: I have the honor to report that Mrs. Lehr and three children arrived here Tuesday evening and reports that she was rescued by the Mexican troops after two fights they had with the Yaquis. She claims that although she had a very hard time she was not abused by the Yaquis nor were her two little boys, but the girl was outraged and is in a bad way. They have had very little to eat and the last two days lived on hides boiled down into soup. She did not know how many were killed but did not think more than forty to fifty were killed in the two days fighting. She also said that she was sure

they received the notes I sent to the Chief Mori as they were discussing the same and that he, Mori, was willing to meet me and turn over the women for a consideration, but that Sibulame, another, and the worst in the lot, opposed the same and would not let them come. She also said that the majority of the Yaquis were at present in the United States.

I have [etc.]

LOUIS HOSTETTER

File No. 312.11/7652

The Secretary of State to Consul Letcher

[Telegram]

DEPARTMENT OF STATE,
Washington, May 6, 1916.

Recent press despatches state American employees National Mines and Smelter Company, Magistral, Durango, disarmed, and Magistral looted.

Endeavor ascertain whether report correct. If Americans at Magistral in personal danger, or such danger threatened, advise them to leave that place.

LANSING

File No. 312.11/7698a

*The Secretary of State to Mr. Parker, representing American interests*¹

[Telegram]

DEPARTMENT OF STATE,
Washington, May 15, 1916.

Scott-Obregon conference amicably concluded, but without definite result.² Both Governments continuing negotiations. Surface indications do not presage any untoward incident. You should be extremely alert, however, to guard yourself and Americans, your district, against sudden hostile developments.

LANSING

File No. 312 11/7754

The Acting Secretary of State to Consul Dawson

[Telegram]

DEPARTMENT OF STATE,
Washington, June 1, 1916.

Standard Oil Company has kindly offered to place at your disposal for American refugees any of its steamers in Tampico harbor in case of emergency. Should case of urgency arise, do not hesitate to make request of company's representative. Company requests following confidential telegram be delivered to I. S. Broun, its shipping agent at Tampico: "We approve granting Consul's request. D. T. Warden."

POLK

¹ Same to American Consuls at Guadalajara, Monterey, Tampico, Vera Cruz, Acapulco, Hermosillo, Mazatlan, Manzanillo, Salina Cruz, Frontera and Progreso.

² See Political Affairs, ante, p. 527 *et seq.*

File No. 312.11/7732

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 1, 1916, 4 p. m.

Recent reports from Sonora indicate Yaquis again menacing life and property. Special reference to section La Colorada to Mazatan and San Javier. Request stationing of garrisons Yaqui territory sufficient to afford security against sudden raids.

POLK

File No. 312.11/7762a

*The Acting Secretary of State to the Secretary of the Navy*DEPARTMENT OF STATE,
Washington, June 3, 1916.

SIR: I have the honor to suggest, for your consideration, that the naval vessels on the Pacific coast of Mexico be so distributed as to cover the ports of Guaymas, Topolobampo, Mazatlan, Manzanillo and Acapulco, thus affording moral protection to the Americans at those places, and in the immediate vicinity thereof, and being, at the same time, in a position to render effective protection, should any untoward incident occur. This request is not intended to interfere, in any manner, with the plans of the naval commander on the Pacific coast of Mexico, or to conflict with the wishes of your Department. The suggestion is made solely as a precautionary measure during the present period of suspense.

I am informed that the U. S. S. *Marietta* is en route to Tampico to rejoin the *Machias*. If it be practicable and in accordance with the judgment of the ranking commander at Tampico, it would appear advisable to have either the *Marietta* or the *Machias* anchored in the Panuco River, about two miles from the mouth thereof. From this point the vessel would not only command the mouth of the river, and the railway to the lighthouse, but would also afford protection to American lives and property in that immediate vicinity.

I have [etc.]

FRANK L. POLK

File No. 312.11/7763

*The Secretary of the Navy to the Secretary of State*NAVY DEPARTMENT,
Washington, June 6, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of June 3, 1916, in reference to the disposition of naval forces in Mexican waters.

The commander-in-chief of the Pacific Fleet has been informed of the sense of your suggestion in reference to the proposed distribution to cover the ports of Guaymas, Topolobampo, Mazatlan, Manzanillo and Acapulco, and has been directed to dispose of the forces under his command at discretion.

The senior naval officer present in Atlantic Mexican waters has been informed of the sense of your recommendation in reference to the location of the *Marietta* or *Machias* in the Panuco River, and has been directed to dispose of the naval forces under his command at his discretion.

In reference to the disposition of naval forces in the Panuco River, I do not feel justified in limiting the discretion of the senior naval officer present in that regard, as he, by virtue of his intimate knowledge of local conditions, must necessarily be the best judge of the disposition to be made of his forces. Should your Department, however, be particularly desirous that specific American or foreign interests in the neighborhood of Tampico be given particular protection in preference to other interests, I will be glad to inform the senior naval officer present of your wishes in order that he may dispose his forces accordingly.

Very sincerely yours,

JOSEPHUS DANIELS

File No. 812.00/18473

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, June 17, 1916, 6 p. m.

Manager of San Juan Mine Company received telegram from agent of company at camp that band of Villistas took horse and twenty-four mules from camp eight o'clock last night. Camp is on Mexican side of river bank, six miles below Fort Hancock, Texas. Number of Villistas not stated.

COBB

File No. 312.11/7866

The Secretary of State to Consul Simpich

[Telegram]

DEPARTMENT OF STATE,
Washington, June 24, 1916, 4 p. m.

Department informed [Norton] Hand under sentence death.

Urgently request appropriate authorities not to execute sentence until opportunity is afforded this Government for investigation.

Make such investigation of case as is practicable and inform Department at earliest possible date.

LANSING

File No. 312.11/7873

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, TEXAS, June 25, 1916, noon.

Sixteen Americans arrived this morning from Torreon at three a. m. Conferred with Dr. Boran in charge of party and learned following:

Sunday 18th, under agitation of *de facto* military and civil authorities, consulate at Torreon was stoned for several hours by mob numbering three thousand persons consisting of civilians and soldiers. Shield was torn down, front of building destroyed and furniture demolished. Mob was led by mayor of Torreon in person accompanied by a regimental band and escort of soldiers shouting, "Death to the Americans!" After demolishing consulate they marched to German club and made speeches proclaiming friendship to Germans and hostility to United States. Dr. Boran states that upon request British Vice Consul O'Hay, General Santos commanding *de facto* forces in Torreon, furnished special car attached to military train of General Murguia who arrived Piedras Negras yesterday, for their use and urged that they leave immediately. Their trip to border was without any mishap and no insults were received from Mexicans *en route*. About all Americans in Torreon are now out.

BLOCKER

File No. 312.11/7884

Consul Simplic to the Secretary of State

[Telegram]

NOGALES, ARIZONA, June 26, 1916, 6 p. m.

Department's June 24, 4 p. m. Best information obtainable indicates that Americans Parks and Hand and Canadian Dickson were coming towards border from Washington Mine in east Sonora. Details of incident according to official report to Calles from Mexican civil judge at Arispe says:

Dickson, Parks and Hand are found armed, cutting wires and tearing down fence posts at Cienegafria, forty miles southwest Nacozari. Several Mexican cowboys rode up demanding that they desist. Upon their refusing cowboys tried to take them to Arispe. The Americans replied opening fire. Then fight followed resulting in Dickson and Parks being killed and Mexican Antonio Lares being killed and Rosario Huaragui badly wounded. Hand escaped to Nacozari where he was arrested.

Confidentially I think I can arrange shortly for release and deportation for Hand. Will keep Department informed.

SIMPLIC

File No. 812.00/18615

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, TEXAS, June 29, 1916, 1 p. m.

San Juan Mining Company located in Mexico about nine miles south of Fort Hancock, Texas, which was raided by bandits recently who stole the work stock there, was again raided last night. Bandits looted store and took away all supplies amounting to several hundred dollars. Significance lies in fact that Carranza authorities who have been informed of their whereabouts since former raid, and who had armed guards in vicinity, afforded no protection although continuously requested by owners to do so.

COBB

File No. 312.11/7977

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, July 7, 1916, 6 p. m.

American named A. R. Downs has found it necessary to leave his interests in Guadalajara and his ranch and cattle near Manzanillo.

Request *de facto* Government to issue orders for protection property mentioned; also request that appropriate instructions be given State authorities generally to protect American interests during temporary absence of owners thereof.

POLK

File No. 312.11/7766

The Acting Secretary of State to Consul Dawson

No. 34

DEPARTMENT OF STATE,
Washington, July 7, 1916.

SIR: The Department acknowledges the receipt of your despatch number 22, of May 27, 1916,^{*} with which you enclose a copy of a memorial, dated at Tampico, May 22, 1916, addressed to the President of the United States, by a number of American citizens residing at Tampico and its vicinity, relative to certain Mexican decrees affecting property rights, the arrest of an American citizen, named Charles J. Nibbi, et cetera.

You are instructed to deliver the following response to the American citizens who signed the memorial in question:

Inasmuch as the matter of the arrest of Mr. Nibbi, which constitutes a large part of the memorial, has been adjusted by the release of Mr. Nibbi, it appears unnecessary to give further consideration to this matter.

In view of the present condition of the relations between the United States and the Mexican Governments the Department does not deem this to be an opportune time to take up with the *de facto* Government of Mexico the question of the decrees prohibiting the transfer of land or of leases to foreigners. The Department understands that the *de facto* Government asserts that these decrees are intended to be temporary in their nature and to avoid the passing of large interests in Mexico into the hands of foreigners during the present disturbed conditions which tend to make owners of property willing to sell for low figures.

It is noted that the memorialists refer to the violation, by the decrees, of the rights of American citizens guaranteed by treaty between the United States and Mexico. On this point it may be said that the Department is not aware of any treaty provisions which bear upon the questions involved in these decrees but will be glad to be referred by the interested American citizens to such treaty provisions as they may have in mind. In the absence of such provisions, this Government would not be justified in upholding the memorialists in their expressed intention not to obey the requirements of the decrees referred to.

I am [etc.]

FRANK L. POLK

^{*} Not printed.

File No. 812.00/18667

The Acting Secretary of State to Special Representative Rodgers

[Telegrams]

DEPARTMENT OF STATE,
Washington, July 12, 1916, 8 p. m.

196. Reported Mexican authorities in San Ygnacio, Chihuahua, detaining three horses taken from American side of border, and that payment one hundred dollars is demanded before horses will be released.

Request that Juarez authorities be instructed to investigate, and cause return horses to American side.

POLK

File No. 312.11/8026

DEPARTMENT OF STATE,
Washington, July 17, 1916.

212. Department informed authorities Villahermosa and Frontera during past month have seized various tugs, boats and barges belonging Frontera Navigation Company, stock of which is owned by Tropical Fruit Company, American corporation.

Request issuance of orders for release of this equipment and withdrawal of prohibition said to have been issued against its removal from Mexican waters, as Fruit Company desires move equipment to Cuba in course of its business.

POLK

File No. 312.11/8104

Collector Cobb to the Secretary of State

[Telegram]

EL PASO,
August 25, 1916, 5 p. m.

Agent at Parral reports to representative at El Paso by letter dated August twenty-second:

Yesterday General Luis Herrera, military commander of the district, started a few men to work in Jesus Maria Mine. Monday he had six barreteros at work. They are working in the upper levels north of the shaft. He was asking after the tools, drills, hammers.

Said mine is owned by Americans and handled for owners by Guarantee Trust Company of New York. I advised representatives that company should communicate direct with Department.

COBB

File No. 312.11/8104

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, *September 7, 1916, 4 p. m.*

379. Department's 114, June 1, 4 p. m. to Rodgers. Foreign Office states troops now distributed places mentioned guaranteeing protection American lives and property.

PARKER

File No. 312.11/8125

Collector Cobb to Counselor Polk

EL PASO, September 9, 1916.

DEAR MR. COUNSELOR: Referring to my August 25, 5 p. m., reporting to you that General Luis Herrera was working the American-owned Jesus Maria mine in Parral, the El Paso agent of the company has just shown me a report from the Parral agent, dated August 29 last, from which the following is copied:

Since writing you the other day about the Jesus Maria Mine being worked by the General, they have been increasing the men at work in the mine. They now have about 20 men at work. They are moving the gasoline hoist over from the Podaquina Mine to the Jesus Maria, and think they are going to get a bonanza. They have had some ore assayed, and say that it went over 2½ kilos. silver and quite a high value in gold. They have taken a number of pieces of pipe and timber over to the Podaquina Mine, but I think they will bring them back. I think they used it to move the hoist.

The stealing of ore from American-owned mines, is rapidly becoming uglier than at any time we have experienced, with the exception of the last few months of the Villa régime.

They are working the Jesus Maria Mine above water level, and, to get the ore in them, are tearing out the pillars that are necessary to support the roof of the underground workings; thereby doing irreparable damage.

Yours sincerely,

COBB

File No. 312.11/8149

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, October 12, 1916, 8 p. m.

484. Department informed American-owned Jesus Maria Mine, Parral, Chihuahua, is being worked, without permission of owners, by soldiers under command of General Herrera, in such manner as to cause permanent injury.

Request appropriate authorities order work stopped immediately and property adequately protected.

LANSING

File No. 312.11/8155

Collector Cobb to the Secretary of State

[Telegram—Extract]

EL PASO, October 14, 1916, 11 a. m.

My August 25, 5 p. m. Agent here has letter from employee at Parral dated October 4.

They are still working the Jesus Maria. They have 18 sets of drillers and about 35 other men at work making in all about 72 men. They have about two cars of ore out which they are going to ship to Monterey.

COBB

File No. 312.11/8163

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, October 25, 1916, 6 p. m.

511. Consul Nogales reports following raids by Yaqui Indians on American properties: October 5, Jones and Shelton ranch when all stock was taken and two employees wounded; October 13, San Pedro ranch, owned by Richardson Construction Company, when 11 mules and all oranges were taken and trees mutilated; and October 17, Richardson Construction Company's main ranch one mile from Esperanza, when Mexican watchman was killed and 17 mules taken.

Last-mentioned ranch is said to have had guard 10 soldiers who refused to fire upon Indians and have since been removed from the ranch without the substitution of another guard.

Inform appropriate authorities and request them to indicate immediately what action will be taken to protect American properties in Yaqui Valley.

LANSING

File No. 312.11/8168

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, October 26, 1916, 11 p. m.

521. Department's 484, October 12, 8 p. m. Foreign Office replies soldiers under Herrera's command never worked mine and that Herrera ordered suspension of work immediately after brought to his knowledge.

PARKER

File No. 312.11/8170

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, October 30, 1916, 6 p. m.

518. Department reliably informed that number of Americans have taken refuge in Carmen, Campeche, account threats violence by Mexicans in vicinity that place. Request that situation these Americans be immediately investigated and that authorities at Carmen be given positive instructions to protect them.

LANSING

File No. 312.11/8177

The Acting Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, November 6, 1916, 5 p. m.

531. Several Americans in Parral, Chihuahua, reported to have been executed by Villistas.

Immediately inform appropriate authorities and request them to exert every effort to obtain facts and to afford protection for those Americans who may still be in Parral and its vicinity.

POLK

File No. 312.11/8177

The Acting Secretary of State to Vice Consul Blocker

[Telegram]

DEPARTMENT OF STATE,
Washington, November 6, 1916, 5 p. m.

Several Americans in Parral reported to have been executed by Villistas. Immediately inform local authorities in Piedras Negras and request them to assist you in effort to obtain facts.

POLK

File No. 312.11/8185

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, November 11, 1916, 1 p. m.

558. Department's 511, October 25, 6 p. m. Foreign Office replies that the State Government states that in view of the fact that the treaties of surrender of Yaqui Indians in rebellion against the Constitutionalist Government are being terminated the tranquillity of the State has been uninterrupted. No mention is made of action contemplated to protect American property, notwithstanding the fact Foreign Office was requested most earnestly to reply in this sense in my representation.

PARKER

File No. 812.00/19854

Consul Canada to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Vera Cruz, November 13, 1916, 2 p. m.

Down train on the Inter-Oceanic wrecked between Perone and Jalapa on the 11th, cause not yet known. Vera Cruz papers admit 150 killed. Some Americans reported killed or injured. Exceedingly difficult to verify. Will report names when known.

CANADA

File No. 312.11/8175

The Secretary of State to Mr. Parker, representing American interests

[Telegrams]

DEPARTMENT OF STATE,
Washington, November 13, 1916, 4 p. m.

548. Department informed that authorities in Sonora in June, last, seized all arms and ammunition belonging to American settlers at Esperanza and vicinity. Settlers urgently need arms for protection against Yaqui Indians.

Request appropriate authorities to order immediate return to settlers mentioned of all arms and ammunition taken from them in June.

LANSING

File No. 312.11/8185

DEPARTMENT OF STATE,
Washington, November 14, 1916, 4 p. m.

550. Your 558, November 11, 1 p. m. Point out to Foreign Office that it failed to reply to Department's request to be advised of action contemplated for protection American property, and that such reply is desired at once.

Also request Foreign Office to explain how it can be said that there has been uninterrupted tranquillity in State of Sonora, in view of depredations upon American property set forth by you in representations to which Foreign Office has replied.

LANSING

File No. 312.00/19865

Consul Canada to the Secretary of State

[Telegrams]

AMERICAN CONSULATE,
Vera Cruz, November 14, 1916, 6 p. m.

Doctor E. L. Byrd badly, E. B. Parker and W. P. Gavin slightly injured, Robert Du Boise dead from Inter-Oceanic Railway accident. Other names not yet obtainable.

CANADA

File No. 312.00/19883

AMERICAN CONSULATE,
Vera Cruz, November 15, 1916, 10 p. m.

Now learned no American casualties Inter-Oceanic accident except those mentioned my November 14, 6 p. m. Vera Cruz State military commander sends messenger to tell me he will punish severely soldiers for wholesale robbing wounded and killed in wreck.

CANADA

File No. 312.11/8201

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, TEX., November 17, 1916, 1 p. m.

Department's November 6, 5 p. m. Called on Mexican authorities this morning and impressed upon them the extreme necessity of

receiving definite information of Americans at Parral. In interview a message was shown me from General Murguia dated Escalon advising his capture that place after severe fighting on Tuesday and that fifteen hundred Villistas defending the town had fallen back toward Jiminez. Authorities express doubt that Murguia will be able to obtain definite information until the capture of the town, but have sent urgent telegrams to him on the subject. I have also telegraphed British Vice Consul at Torreon to do all possible and wire results immediately.

BLOCKER

File No. 312.11/8206

Vice Consul Doherty to the Secretary of State

[Telegram]

NOGALES, ARIZONA, November 18, 1916, 2 p. m.

Four American refugees from Parral left Culiacan to-day for Nogales. Train stops to-night San Blas, then stops to-morrow night Guaymas, reaching Nogales, November 20, 9 p. m. Will interview refugees on arrival. If any special information desired, please instruct me.

DOHERTY

File No. 312.11/8206

The Secretary of State to Vice Consul Doherty

[Telegram]

DEPARTMENT OF STATE,
Washington, November 20, 1916.

Your November 18, 2 p. m. Obtain from refugees statement concerning conditions Parral and vicinity, welfare foreigners at Parral when refugees left there, and probable whereabouts four or five other Americans supposed to have left Parral. Telegraph brief reply.

LANSING

File No. 312.11/8217

Vice Consul Coen to the Secretary of State

[Telegram]

SAN ANTONIO, TEXAS, November 22, 1916, 1 p. m.

A Mexican courier sent to Parral by a mining man has just returned and the American says the report be relied upon. The courier came out afoot from Parral to Chihuahua and from there worked his way passing coal on a train to the border. General Herrera evacuated Parral on the 4th and Villa entered on the 5th and was still there in undisputed possession when the courier left on the 8th. The 5 employees of the Alvarado Company left on the 2d and the other 4 Americans, Jake Myer, Doctor Flannigan, W. E. Palmer and Scott, the messenger thinks, were hiding but says they may have been arrested as this was done by wholesale, the people being held for ransom. No executions had taken place when courier

left and no public looting, but Villa was having good success in getting money by forced loans and from the owners of the stores taken over from the Chinamen and Syrians. Villa was personally in charge with Salazar a good second. They had over a thousand well-armed troops brought in on three trains captured at Santa Rosalia. He could not confirm the report that Edgar Koch, the German Consular Agent who was captured at Santa Rosalia with the Alvarado bullion, had been killed but thought that he had been killed by Julio Acosta.

COEN

File No. 312.11/8221

The Acting Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, November 25, 1916, 5 p. m.

571. Promptly renew your efforts to obtain definite information regarding welfare and whereabouts of several American citizens of Parral believed to be hiding some distance from that place.

POLK

File No. 312.11/8259

Vice Consul Blocker to the Secretary of State

[Telegram—Extract]

EAGLE PASS, TEXAS December 6, 1916, 10 p. m.

An American citizen, by name L. Naudin, arrived Eagle Pass this evening from Parral having left there four days ago after being prisoner of Villistas, but secured his liberty on plea of being a French subject. Conferred with him and learned following:

All of the Americans left there before Villistas entered with exception of 6, by name Jake Myer, Walter C. Palmer, Dr. Flannigan, William Scott, Howard Gray and L. Naudin himself who found hiding places among Mexican friends, and until the second day after Villistas had entered all went well, but upon second day Gray and himself were found and immediately ordered to be shot on grounds they were American citizens. Gray met his fate and now lies unburied in Parral while Naudin secured release on grounds stated above. The remaining 4 Americans are still hid and have so far not been detected; however, grave fear is felt for their safety.

BLOCKER

File No. 312.11/8255

The Secretary of State to Vice Consul Blocker

[Telegram]

DEPARTMENT OF STATE,
Washington, December 8, 1916, 5 p. m.

Continue to exert your very best efforts to obtain definite information regarding Americans at Parral, Jimenez and Santa Rosalia, and keep Department promptly informed.

LANSING

File No. 312.11/8267

Vice Consul Blocker to the Secretary of State

[Telegram]

EAGLE PASS, TEXAS, *December 9, 1916, 3 p. m.*

Department's December 8, five p. m. Consulate is using every effort to obtain further information regarding Americans at Parral. I am inclined to believe information obtained from L. Naudine is absolutely authentic in view of fact he is the only eyewitness that has arrived here from Parral. His affidavit should reach Department Monday which gives in detail general situation that existed in Parral from time Villa entered until November 30. Am informed this morning by Mexican authorities that they also have advices from Mexican refugees that remaining 3 Americans in Parral are safe; that Howard Gray was the only American killed there and also the burning of an American at Jimenez is confirmed but his name unknown. The killing of 66 Chinese at Parral and also several at Jimenez seems authentic.

BLOCKER

File No. 312.11/8282

Vice Consul Blocker to the Secretary of State

[Telegrams]

EAGLE PASS, TEXAS, *December 14, 1916, 4 p. m.*

Doctor Bernhard arrived Eagle Pass this morning. In personal interview, after which I secured sworn statement, the following information was obtained:

He confirms killing of Howard Gray whom he personally buried. Remaining Americans, namely Edward Palmer, Jake Meyer and Dr. Flannigan, are alive hidden by Mexican friends. He also confirms story told by Naudine regarding murder 3 Americans at Majistral mines by Carranza garrison who turned over to Villa, and states 3 other Americans of same party still survive hidden in mine shafts at Majistral. This information he obtained from natives arriving in Parral from there who claim Villistas are still at those mines and if Americans should be found they would be killed immediately. Regarding murder Chinese and Arabs he states he personally buried 5 bodies in Parral and knows many bodies were thrown in mine shafts of Alvorado Company, probably number near sixty. At Jimenez he buried 14 Chinese and Arabs besides the American tramp burned alive there. All the bodies were badly decomposed. He believes Americans at Parral are now safe with arrival there of 50 Government soldiers December 5, the Villistas having left there five days previous, heading towards mountains, carrying away much loot and 40.000 dollars in silver bullion.

BLOCKER

File No. 312.11/8293

EAGLE PASS, *December 19, 1916, 4 p. m.*

Parral Americans arrived Eagle Pass this morning, namely: Carlos Pfeitzer, Jake Meyer, William Scott, Dr. Thomas Flannigan, William Palmer and son, Adan Schaffur, besides German Consul,

Edgar Cook and Julio Sinner of German birth. They report Herbert Fountain, an American, and Herbert Beard, an Englishman, are still there in hiding; also two Americans, namely: J. W. McKee and Joe Knotes are hiding in mountains. Majistral Americans are still hiding, their names unknown. Consulate secured lengthy narrative from Dr. Flannigan with affidavit of all Americans attached to it regarding Parral incident and murder of Howard Grey which is being forwarded to Department. They state American consular agent's office at Parral was completely destroyed, archives carried away, and coat of arms destroyed by running bayonets through it; also Villa murdered fifteen Chinese, many Arabs and natives; that he would have murdered all Americans if they had been found. They left Parral on hand car and arrived Torreon just before communication was cut behind them at Bermijilla. I am considerably uneasy for safety Americans in Torreon and have wired for immediate reports.

BLOCKER

File No. 312.11/8293

The Secretary of State to Mr. Thurston, in charge of American interests

[Telegrams]

DEPARTMENT OF STATE,
Washington, December 22, 1916, 3 p. m.

Department has reports indicating that Villistas are about to attack Torreon, and that foreign population estimated at eight hundred is in grave danger. Request appropriate authorities to take prompt and adequate measures to safeguard American life and property in Torreon district, and to provide safe transportation facilities to border for any Americans who may desire to leave. Endeavor ascertain whether steps have already been taken to protect foreign life and property, and telegraph Department.

LANSING

File No. 312.11/8293

DEPARTMENT OF STATE,
Washington, December 22, 1916, 4 p. m.

Department has information indicating that Americans in Parral and Magistral districts are in grave danger. Request that prompt and adequate steps be taken to afford protection to American life and property in these districts.

LANSING

File No. 312.11/8313

Vice Consul Dickinson to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
San Luis Potosi, December 25, 1916, 1 p. m.

American citizens from Magistral, Durango, J. T. Critchett, W. H. Seamon, Arthur Heuser, William Kirchner, Karl Kirchner,

Niebolar Kuig and wife, Charles Biekofsky, reported in Villista hands, arrived here to-day.

DICKINSON

File No. 312.11/8343

Mr. Parker, representing American interests, to the Secretary of State

No. 642

MEXICO CITY, December 27, 1910

SIR: I have the honor to refer to the Department's telegraphic instruction 550, of November 14, 1916, relative to the protection of American property in the Yaqui Valley of the State of Sonora, and to enclose herewith a copy of my note to the Foreign Office, dated November 15, and translation of the two notes which I have received from the Foreign Office in the matter, dated respectively December 8 and 13.

I have [etc.]

CHARLES B. PARKER

[Inclosure 1]

Mr. Parker to the Minister for Foreign Affairs of the de facto Government.

No. 212

MEXICO CITY, November 10, [15]1916.

YOUR EXCELLENCY: I have the honor to refer your excellency to the contents of my note No. 166, of October 26, wherein, by instruction received from my Government, I had the honor to enumerate certain fatal depredations committed by the Yaqui Indians of the State of Sonora upon various American-owned properties situated in that State. I also would refer your excellency to note No. 876, dated November 6, communicated to me over your excellency's signature, in which note it was stated that, in view of the fact that certain treaties of surrender were being brought to an end with the Yaqui Indians in rebellion against the Constitutionalist Government, the tranquillity of the State of Sonora had not been interrupted. The contents of this latter note were transmitted immediately to my Government.

I now have the honor to inform your excellency that I am in receipt of a telegram from the Honorable, the Secretary of State of the United States, instructing me to point out to your excellency's Government that it has failed to reply to the request of the Department of State to be informed concerning the action contemplated by the *de facto* Government for the protection of American property in Sonora, and that such a reply is desired at once.

I am further instructed to inquire of your excellency's Government how it can be stated that there has been uninterrupted tranquillity in the State of Sonora in view of the depredations upon American properties as set forth by my note No. 166, above referred to.

I have the honor to request your excellency's early response.

I avail [etc.]

CHARLES B. PARKER

[Inclosure 2—Translation]

The Subsecretary of the Foreign Office to Mr. Parker

No. 37

QUERÉTARO, December 8, 1916.

MR. REPRESENTATIVE: Replying to note No. 212, dated November 15 last, in which you stated advices had been received to the effect that the Yaqui Indians continued to commit depredations in the State of Sonora, I am pleased to inform you that the citizen military commander of said entity has been urgently recommended to impart protection to properties in that region, national as well as foreign.

I am [etc.]

A. M. SILLER, *In charge of office*

[Inclosure 3—Translation]

The Subsecretary of the Foreign Office to Mr. Parker

No. 52

QUERÉTARO, December 18, 1916.

MR. REPRESENTATIVE: With reference to your kind note, No 212, dated November 15 last, relative to the information presented to the Department of State of the United States concerning the fact that the Yaqui Indians had recently committed depredations upon American properties located in the Yaqui Valley, State of Sonora. I am pleased to inform you that, having addressed myself, in connection with this matter, to the citizen military commander of said entity, as I informed you in my note No. 37, of the 8th instant, said chief advises this office that it is not true that the tranquillity of that region had recently been altered, and that the properties of nationals as well as of foreigners enjoyed ample protection.

I repeat [etc.]

A. M. SILLER, *In charge of office*

File No. 312.11/8321

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, December 28, 1916, 11 a. m.

622. Department's 548, November 13, 4 p. m. Foreign Office reply yesterday states War Department addressed military commandant Sonora to end that if there is no objection the arms be returned to interested persons.

PARKER

**WITHDRAWAL OF AMERICAN CONSULAR OFFICERS AND OTHER
AMERICANS FROM MEXICO**

File No. 312.11/7388

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, March 9, 1916, 2 p. m.

Mormon colonists about Casas Grandes in danger. With Columbus raid in mind Villa avoided coming north. They are in greater danger his return south. There are from 400 to 500 Mormons in the colonies.

COBB

File No. 312.11/7388

The Secretary of State to Collector Cobb

[Telegram]

DEPARTMENT OF STATE,
Washington, March 10, 1916, 4 p. m.

Your March 9, 2 p. m. Advise Mormons to take every possible precautionary measure for their safety.

LANSING

Collector Cobb to the Secretary of State

[Telegram]

EL PASO, March 10, 1916, 4 p. m.

2. Department's March 10, 4 p. m. I have repeated advice to Mormons, made consistently for many months, that for safety their colonists should come out from Casas Grandes district, proceed with their leader. I have just conferred with Consul Garcia who is not pleased with the suggestion but will give any assistance requested. Consul Garcia informs me of arrival at Polomas opposite Columbus of Carranza troops under General Bertani and of information from there that Villistas are *en route* back toward mountains.

Mormon leaders arranging for train to go down Northwestern Road to bring colonists out. It is important for Department to call upon Arredondo to have military escort furnished this train while same is *en route* from colonists to Juarez.

COBB

File No. 312.48/3078

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, TEXAS, March 11, 1916, 2 p. m.

Several Americans came from Tampico region to-day and stated they were ordered out by Carranza soldiers yesterday. They are entirely destitute and have applied to me for transportation to their homes. Am expecting more refugees, as these people state Americans around Tampico are being ordered to leave and there will probably be many destitute Americans arrive here during next few days. What course shall I pursue when asked for transportation under these conditions?

GARRETT

File No. 312.11/7393

The Secretary of State to Consul Edwards

[Telegram]

DEPARTMENT OF STATE,

Washington, March 11, 1916, 4 p. m.

Request appropriate authorities to furnish adequate escort for Mormons who may wish to withdraw from Casas Grandes.

LANSING

File No. 312.11/7405a

The Secretary of State to all American Consular Officers in Mexico, including Parker, Mexico City, excepting border Consuls

[Telegram]

DEPARTMENT OF STATE,

Washington, March 11, 1916, 11 p. m.

Supplementing Department's March 10, 6 p. m.¹ While it is not believed *de facto* authorities will permit or countenance any

¹ See Political Affairs, p. 484.

hostilities toward Americans, yet in view of the possibility of individual misunderstanding of the motives of this Government and the danger from irresponsible persons the Department advises that, if in your judgment conditions warrant such action as a precautionary measure, all Americans in your district should immediately leave for the border or nearest port. In such case you may assist financially absolutely destitute Americans in leaving, using every effort quietly to notify Americans and discreetly to impress upon the authorities that this action is being taken solely from motives of friendship and to save possible embarrassment to both Governments.

If in your judgment it becomes unsafe for you to remain, you will close consulate and place it in custody of French or British Consul and proceed with American members of staff to border or place of safety, taking code, seal and confidential archives with you. Advise Consular Agents to take same action.

Use this authority with great discretion, avoiding all publicity.

LANSING

File No. 312.11/7415

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, March 13, 1916, 3 p. m.

267. Department's March 11, 11 p. m., and previous telegrams. Local situation has been quiet so far, although this morning there are some signs of excitement. Some Americans are sending their families out in response to urgent telegrams from relatives in the United States. While the local situation does not yet justify any general exodus of Americans, the majority of those now remaining feel that they should be supplied with more facts as to international relations the better to enable them to determine whether or not they should leave and suffer losses of homes, property and business. The Americans here at present are those whose entire business interests and responsibilities require their presence in Mexico or those who are destitute. Of the latter there are some three hundred and fifty. With such a large number, probably a thousand in all, it would be impossible to avoid publicity in any warning to leave. There is also the question of transportation not only from ports in Mexico to the United States, but more especially from Mexico City to any port or border point.

In the event that I should be compelled to leave, either on the Department's instruction or as a result of action by the local authorities, to whom shall I deliver the representation of interests and the Embassy and Consulate property? The confidential archives of the Embassy are quite bulky.

PARKER

The Secretary of State to Consul Garrett

[Telegram]

DEPARTMENT OF STATE,
Washington, March 13, 1916, 5 p. m.

Furnish transportation cheapest rate to American refugees mentioned in your March 11, 2 p. m., provided they are absolutely destitute. Take same action regarding American named Shafer, now in hands of Associated Charities, Laredo.

LANSING

File No. 312.11/7433

The Secretary of the Navy to the Secretary of State

NAVY DEPARTMENT,
Washington, March 14, 1916.

SIR: In view of possible events requiring that official aid should be afforded to American citizens resident in Mexico to quit that country, and of the possible resulting duty that may devolve upon the Navy Department in meeting such a necessity, I have the honor to request that I be furnished promptly with as complete data as may be practicable, giving the names of the ports, both on the east and west coasts of Mexico, at which American refugees may be collected, and, as nearly as can be foretold, the numbers that are likely to need aid in leaving each port.

Sincerely yours,

JOSEPHUS DANIELS

File No. 312.11/7415

The Acting Secretary of State to Mr. Parker, representing American interests in Mexico

[Telegrams]

DEPARTMENT OF STATE,
Washington, March 16, 1916, 7 p. m.

280. Your 267, March 13, 3 p. m. Practically all reports from American consular officers in Mexico encouraging. Department does not anticipate that withdrawal will be necessary, but should necessity arise you are instructed to entrust representation American interests, Embassy and consular property to British or French representative.

Department's March 11, 11 p. m., and March 14, 8 p. m.¹, should be consulted for your guidance.

POLK

File No. 812.48/3080

DEPARTMENT OF STATE,
Washington, March 20, 1916, 11 p. m.

286. Department has repeatedly made it known to you and to American Relief Committee that no funds are available for indefi-

¹ See Political Affairs, p. 490.

nite maintenance destitute Americans in Mexico. Red Cross has made similar announcement. Therefore, in view present economic conditions and of political situation in Mexico, all Americans whose presence in Mexico City is not absolutely essential for business reasons should be advised to return immediately to this country. You will furnish transportation in accordance with previous instructions.

POLK

File No. 312.11/7433

The Secretary of State to the Secretary of the Navy

DEPARTMENT OF STATE,
Washington, March 30, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of March 14, 1916, in which you request to be furnished with the names of Mexican ports from which Americans will leave in case of an emergency. You also ask to be furnished with information as to the number of American citizens to be transported from each port.

In reply I have the honor to direct your attention to the following data submitted by American consular officers in Mexico:—

ENSENADA DISTRICT.		
Ensenada.....	130 Americans	
San Quintin.....	12 Americans	
GUAYMAS DISTRICT.		
Guaymas.....	50 Americans	
Empalme.....	150 Americans	
Yaqui Valley.....	100 Americans	
MAZATLAN DISTRICT.		
Mazatlan.....	300 Americans	
Topolobampo.....	150 Americans	
San Blas, Tepic.....	25 Americans	
MANZANILLO DISTRICT.		
Manzanillo.....	130 Americans	
ACAPULCO DISTRICT.		
Acapulco.....	25 Americans	
SALINA CRUZ DISTRICT.		
Salina Cruz.....	75 Americans	
PROGRESO DISTRICT.		
Progreso.....	35 Americans	
Campeche.....	6 Americans	
Champoton.....	4 Americans	
Carmen.....	10 Americans	
FRONTERA DISTRICT.		
Frontera.....	36 Americans	
(Probably a few more from outlying districts)		
VERA CRUZ DISTRICT.		
Vera Cruz.....	300 Americans	
(Probably several hundred more than Mexico City and other points in the interior.)		
TAMPICO DISTRICT.		
Tampico.....	2,000 Americans	
Tuxpam.....	100 Americans	

I have [etc.]

ROBERT LANSING

The Secretary of State to the Pacific Mail Steamship Company

[Telegram]

DEPARTMENT OF STATE,
Washington, April 29, 1916.

Department informed about forty Americans at Manzanillo awaiting transportation to United States. It will be appreciated if special efforts be made by your company to have one of your ships call at Manzanillo during next few days for accommodation Americans mentioned. Consul will defray transportation of absolutely destitute Americans.

ROBERT LANSING

File No. 312.11/7645

Pacific Mail Steamship Company to the Secretary of State

[Telegram]

SAN FRANCISCO, *April 30, 1916.*

Your wire 29th. Our steamer *Newport* ordered call Manzanillo northbound; due there about third or fourth. Passenger certificate only allows 68 cabin, 42 steerage. Number passengers on board not known. If United States Government instructs collector of this port that no penalty or fine will be inflicted on Pacific Mail Steamship Company or steamer *Newport* if she brings on this voyage people in excess of her certificates we will instruct Captain *Newport* to take all passengers he can accommodate at Mexican ports otherwise many may be refused passage.

PACIFIC MAIL STEAMSHIP COMPANY

File No. 312.11/7645

The Secretary of State to the Pacific Mail Steamship Company

[Telegram]

DEPARTMENT OF STATE,
Washington, May 1, 1916.

Your telegram April 30. I have requested Secretary of Commerce to instruct collector at San Francisco not to penalize your Company in case steamship *Newport* takes aboard more passengers than she has been authorized to carry.

ROBERT LANSING

File No. 312.11/7645

The Secretary of State to the Secretary of Commerce

DEPARTMENT OF STATE,
Washington, May 1, 1916.

SIR: I have the honor to enclose herewith a copy of a telegram dated April 30, 1916, from the Pacific Mail Steamship Company, of San Francisco, California, with reference to the transportation to the United States of about 40 American citizens who are now at Manzanillo, Mexico. It is feared that the steamship *Newport*, which

is scheduled to call at Manzanillo on May 3 or 4, may not be in a position to accommodate all of the Americans mentioned, unless the Pacific Mail Steamship Company is permitted to authorize the Captain of the *Newport* to take aboard more passengers than is usually permitted by the vessel's certificate.

Inasmuch as these forty American citizens have been detained at Manzanillo for nearly a month, I have the honor to request that the collector of customs at San Francisco be instructed not to penalize the Pacific Mail Steamship Company or the steamer *Newport* in case the vessel takes aboard more passengers than she has been authorized to carry.

I have [etc.]

ROBERT LANSING

File No. 312.11/7668a

The Secretary of State to all American Consuls on Mexican Border

[Telegram]

DEPARTMENT OF STATE,
Washington, May 9, 1916, 6 p. m.

In view possible eventualities, be prepared to advise promptly all Americans in your district to leave immediately for border. In such case, you may assist financially absolutely destitute Americans in leaving, using every effort quietly to notify Americans. If, in your judgement, it becomes unsafe for you to remain, you will close consulate, and place it in custody of French or British Consul, and proceed across border, with American members of staff, taking code, seal and confidential archives with you.

LANSING

File No. 312.11/7668b

The Secretary of State to all American Consular Officers in Mexico, including Parker, Mexico City, excepting border Consuls

[Telegram]

DEPARTMENT OF STATE,
Washington, May 9, 1916, 6 p. m.

In view possible eventualities, be prepared to act promptly, in accordance with Department's March 11, 11 p. m.

LANSING

File No. 312.11/7673

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, May 11, 1916, 5 p. m.

75. If emergency should arise, every effort will be made to provide facilities, at all Mexican coast ports, for accommodation American refugees.

LANSING

The Secretary of State to Mr. Parker, representing American interests in Mexico

[Telegram]

DEPARTMENT OF STATE,
Washington, May 13, 1916, 2 p. m.

330. See Department's 286, March 20, and hand copy thereof to Rodgers, for his information. Telegraph number Americans, especially women and children, that have followed advice in said instruction, and again advise Americans, whose presence in Mexico City is not absolutely essential for business reasons, to return to this country.

LANSING

File No. 312.11/7708

Vice Consul Stadden to the Secretary of State

[Telegram—Extract]

AMERICAN CONSULATE,
Manzanillo, May 16, 1916, 3 p. m.

No means whatever to guard against hostile development except by calling Americans to Manzanillo and having naval vessel here. Americans now in this district are very reluctant to leave their homes unless absolutely forced to do so as they would not have means of support here or in the United States of America. Hotel accommodations at Manzanillo very limited and decidedly bad; therefore, I am reluctant to advise Americans to come here unless absolutely necessary, and sanitary conditions are decidedly bad.

Steamers scheduled to leave here for California May 25, June 15 and 20. Pacific Mail steamer *Peru* scheduled to pass here for California June 1, but not scheduled to call here. Suggest you arrange for *Peru* and other steamers passing for north to call here.

STADDEN

File No. 812.48/3140

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, *May 16, 1916, 6 p. m.*

314. Department's 330, May 13, 2 p. m. Since Department's authorization of March 20, transportation has been furnished to twenty persons, about half men. There are about 275 on the destitute list of whom probably 100 are native born Americans, the remainder being Mexican women legally married to Americans with their minor children. This latter class would be better off here in any event. Persons other than destitutes who have left have done so principally as the result of urgent telegrams from relatives in the United States. American colony here is practically reduced to those whose business interests require their presence here together with

their families and is conservatively estimated at 1,200. Department's advice relative to departure of Americans is being discreetly made known.

PARKER

File No. 312.11/7733

The Secretary of the Navy to the Secretary of State

[Extract]

NAVY DEPARTMENT,
Washington, May 23, 1916.

SIR: In compliance with your request, the Commander-in-Chief of the Pacific Fleet has been instructed, in case the *Mars* has not already sailed from Mazatlan, to direct the commander of the *Mars* to confer with the American Consul at Mazatlan, and to afford transportation to American citizens only in case an emergency exists.

Very sincerely yours,

JOSEPHUS DANIELS

File No. 812.48/3151

Consul Dawson to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Tampico, June 2, 1916, 6 p. m.

Respectfully submit that large number Americans in interior will not be able to get to Tampico after trouble comes. Railroad service is already demoralized. Realizing this, many want to leave now, but are short of funds for purpose. 38 men, 25 with wives and total of 74 children have sent me memorial addressed to the President asking transportation to the United States and provision for means of living there pending the time when they can return to their homes here. I can vouch for the claim that many such farmers and ranchers, having plenty at home for maintenance, are practically destitute of money and readily convertible property. For these reasons I beg to urge that transport be sent at early date to take them away. I believe fully 200 persons want to go.

DAWSON

File No. 812.48/3151

The Secretary of State to Consul Dawson

[Telegram]

DEPARTMENT OF STATE,
Washington, June 6, 1916, 5 p. m.

Your June 2, 6 p. m. Department has no funds at its disposal for maintenance of refugees while in this country. You will make this clear to them. You are authorized to furnish transportation to absolutely destitute Americans. Transports or other vessels will be sent to Tampico in case of emergency.

LANSING

The Secretary of State to Consul General Hanna

[Telegram]

DEPARTMENT OF STATE,
Washington, June 9, 1916, 8 p.m.

Your recent telegrams regarding anti-American demonstrations. If in personal danger or such danger is threatened, you are authorized to come immediately to border. Americans in your district, including your staff, should be advised if in personal danger or such danger is threatened to do likewise. In event you leave as result this authority, discreetly advise Mexican authorities that you are leaving for purpose of conference with your Government, and turn over consular affairs in accordance with Department's March 11, 11 p. m.

Foregoing merely precautionary and for safety yourself and Americans in your district. Similar telegram being sent directly to Silliman.

LANSING

File No. 812 48/3140

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, June 15, 1916, 5 p. m.

339. Your 314. May 16. Continue to advise Americans in accordance with Department's 330, May 13. Department does not consider that presence in Mexico City of families of American business men is essential for business reasons. Department agrees with you that it is not necessary for Mexican women, married to Americans, and children of such women, to leave Mexico City.

LANSING

File No. 812.48/3174

The Secretary of State to the Secretary of War

DEPARTMENT OF STATE,
Washington, June 15, 1916.

SIR: I am in receipt of advices from the American Consul at Tampico to the effect that about 200 or more American citizens at that place wish to return to the United States. A large number of these Americans are reported to be absolutely destitute. I have the honor to request, therefore, that a United States transport be immediately despatched to Tampico and to Vera Cruz for the purpose of affording transportation to such American citizens as desire to return to the United States.

It is suggested that the transport be provisioned for 1,000 passengers, as the number from Tampico may be doubled and several hundred may desire to embark from Vera Cruz.

The expense incident to the use of the transport for the purpose indicated will be borne by the Department of State.

I have [etc.]

ROBERT LANSING

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, June 16, 1916, 5 p. m.

340. War Department has been requested to send transport to Tampico and Vera Cruz. Inform all Americans you can reach and endeavor induce as many as possible to take passage for United States on said transport. Date arrival at Vera Cruz and further particulars will be telegraphed later.

LANSING

File No. 812.48/3188

The Acting Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, June 16, 1916.

SIR: Replying to your letter of June 15, 1916, you are informed that the necessary instructions have been issued to place the transport *Sumner*, now at Newport News, in commission immediately, and with a view to enabling this Department to issue the necessary sailing instructions, it is requested that it be informed if it will be desired that the vessel sail to any other ports than to Vera Cruz and Tampico. It is noted that the appropriations of the Department of State will be used to reimburse this Department for the expenses incident to the use of a transport for the purpose indicated.

Respectfully,

WM. M. INGRAHAM

File No. 312.11/7820a

The Secretary of State to the British Consul, Salina Cruz

[Telegram]

DEPARTMENT OF STATE,
Washington, June 20, 1916, 5 p. m.

Situation demands you advise all Americans in your district to withdraw from Mexico. Please act accordingly.

LANSING

File No. 312.11/7812

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, *June 20, 1916, 11 p. m.*

163. Arranged for transportation Americans to Vera Cruz Thursday, authorities giving full consent. Cars and motive power from Pachuca mines will be used and protection promised. Reporting further this subject to-morrow.

Assured, in the event of hostilities, our associates and myself will be given safe conduct to coast or border. American newspaper correspondents will remain and go with me if that necessity occurs. Please announce this.

RODGERS

File No. 812.11/7804

Consul Hostetter to the Secretary of State

[Telegram—Extract]

NOGALES, ARIZONA, June 20, 1916.

Have closed consulate and arrived with most Americans in district. No demonstrations of any kind were permitted and Colonel Garcia notified any who insulted foreigners would positively be shot. On train yesterday Garcia placed guard with instructions to see we were not molested in any manner and that captain in charge would be held personally responsible for our safety. No demonstrations of any kind on road. Any reports that Americans were arrested in any section is absolutely false. Governor instructed whole State that even in case of war strangers must be protected. All Americans in district very much pleased with treatment accorded. Balance of Americans from district will be here to-day or to-morrow.

HOSTETTER

File No. 812.11/7821

The British Consul at Salina Cruz to the Secretary of State

[Telegram—Extract]

SALINA CRUZ, June 21, 1916, noon.

Your June 20, 5 p. m. Twelve Americans here and about 25 more which had been notified are expected to arrive, the majority will not withdraw unless absolutely necessary. The steamer *San José* is expected to arrive 26th. It is very advisable that cruiser should be sent here.

BRITISH CONSUL

File No. 812.48/3203

The Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, June 21, 1916.

MY DEAR MR. SECRETARY: I beg leave to advise you, with reference to a recent request of your Department that steps have been taken to place the transport *Sumner*, now at Newport News, Virginia, in commission at once for the return of refugees from Vera Cruz and Tampico, Mexico.

The crew and supplies will be placed aboard, and the ship made fully ready for sea at the earliest practicable date.

The Surgeon General has been notified to provide the necessary medical equipment and personnel and the Chief Signal Officer to arrange for radio operators, [etc.]

Very sincerely yours,

NEWTON D. BAKER

Consul Canada to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Vera Cruz, June 22, 1916, 10 a. m.

English and other foreigners are besieging us for refuge on the boat. Refusing them. What provisions will be made for them, if any.

CANADA

The Secretary of State to Consul Canada

[Telegram]

DEPARTMENT OF STATE,
Washington, June 22, 1916, 5 p. m.

Your June 22, 10 a. m. After all American refugees shall have been taken aboard on such vessels as have been ordered to Vera Cruz, if there is still room on such vessels foreigners will be given refuge to whatever extent possible.

LANSING

The Secretary of State to the British Consul at Salina Cruz

[Telegram]

DEPARTMENT OF STATE,
Washington, June 22, 1916, 5 p. m.

Your June 21, noon. Admiral Winslow has been informed of steamer *San José's* expected call at various west coast ports, and it is believed he will have naval vessel at Salina Cruz in few days. All Americans in your district should leave while this opportunity presents itself. Department considers their withdrawal absolutely necessary.

LANSING

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 22, 1916, 5 p. m.

159. Consul Guadalajara telegraphs Americans not being permitted travel on railroads, and therefore unable to leave.

Request that Guadalajara authorities be instructed to permit Americans travel on railroads.

LANSING

The Secretary of State to Mr. Parker, representing American interests in Mexico

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, June 22, 1916, 6 p. m.

353. Transport expected to arrive Vera Cruz in few days. Meantime Americans can take refuge on war vessel at Vera Cruz. Upon arrival United States, destitute refugees will be given transportation to their homes, after which financial assistance ceases.

LANSING

Consul Guyant to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Progreso, June 22, 1916

Can get Porto Ricans out on freighter *New Orleans* seventeen dollars each, sailing probably Sunday. Wire authorization, if approved, and make necessary arrangements, quarantine authorities establish camp. Quickest action necessary.

GUYANT

The Secretary of State to Consul Guyant

[Telegram]

DEPARTMENT OF STATE,
Washington, June 23, 1916, 1 p. m.

You are authorized to send Porto Ricans on freighter to New Orleans, at seventeen dollars each. Department will make necessary arrangements, and take them to Porto Rico on transport after their arrival New Orleans.

LANSING

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 23, 1916, 6 p. m.

164. Department informed two American citizens taken from train from Mexico City June 20, Gonzalez Junction, State Guanajuato, and five Americans taken from local train from Querétaro to San Luis Potosí while passing through State Guanajuato, by orders in each case of Governor.

Urgently insist that orders be immediately issued for release these American citizens and permitting their departure. Report.

LANSING

The Secretary of State to the Secretary of the Navy

DEPARTMENT OF STATE,
Washington, June 23, 1916.

SIR: The State Department is contemplating the following arrangements for the removal of such refugees as are now waiting in Mexican ports on the east coast, and before putting them into effect, desires to know if they meet with the approval of the Navy Department, and work in harmony with such arrangements as the Navy Department is making for the protection of all citizens on that coast.

1. *Progreso*: Arrangements have been made for the removal of all refugees from Progreso by merchant vessels, including the two hundred Porto Rican refugees. The State Department will not require accommodation for any more refugees from Progreso, except for such stragglers as may come in subsequent to this date.

2. *Frontera*: The same arrangements by merchant transportation have been made from Frontera, and there will be no refugees waiting to be taken off, except such as arrive subsequent to this date.

3. *Vera Cruz*: It is proposed to take off such of the refugees as are now on the U. S. S. *Nebraska*, and put them on the Ward liner arriving at Vera Cruz Sunday night. The Ward liner will be loaded to her capacity, and the refugees will be taken directly to a northern port. Refugees arriving subsequent to the departure of the Ward liner, or those unable to obtain accommodations on that boat, will be taken aboard the Army transport which will arrive there on Wednesday or Thursday. The transport will then proceed to Tampico, where it is expected she will be able to take all those waiting at Tampico, and proceed north. In order to provide for possible contingencies, pending the arrival of the Army transport at Tampico, the Department would appreciate it if it were possible for the Navy to have one of its ships of sufficient capacity to accommodate a thousand people at Tampico not later than Tuesday, if possible, and to remain there for emergencies until after the Army transport has taken off the refugees. The State Department desires to know if this can be arranged by the Department.

This program takes care of all the refugees now known to be waiting transportation to the United States, and such others as may arrive at the ports of Tampico and Vera Cruz up to the last of the week. There will possibly be stragglers at various ports, or emergency situations arising requiring immediate relief, which cannot now be foreseen. The State Department would appreciate it if the Navy Department would assume entire charge of removing these refugees as occasion arises, as the commanding officer on the ground will be in a position to act with greater quickness if he is left in charge of the situation with the responsibility of looking after these matters.

The State Department will endeavor to keep the Navy Department fully informed of the situation with regards to refugees, as advised by its Consuls.

I have [etc.]

ROBERT LANSING

File No. 812.48 '3219

*The Secretary of the Navy to the Secretary of State*NAVY DEPARTMENT,
Washington, June 23, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of the 23d instant, in which you have been good enough to inform this Department of the arrangements made for transporting refugees from the eastern coast of Mexico to United States ports. It is noted that arrangements have been made to furnish transportation for all such refugees who may be ready or willing to leave Mexico on or before the 24th instant, and that thereafter your Department is desirous that this Department should assume entire charge of removing all remaining refugees as occasion arises in order that the Senior Naval Officer present may dispose of the forces under his command to the best advantage.

It is further noted that a naval vessel of sufficient capacity to accommodate a thousand people should be at Tampico not later than Tuesday if possible and to remain there for emergencies until after the Army transport has taken off the refugees.

Unless unforeseen difficulty should arise, a naval vessel capable of giving refuge for a short time to a thousand persons should reach Tampico before the 27th instant.

When all refugees now ready to leave Mexico have been taken out, the Navy Department should have in Mexican waters sufficient craft to give refuge to the remaining Americans and it is satisfactory to this Department that the Senior Naval Officer present in Atlantic Mexican waters should assume charge of this work.

Very sincerely yours,

JOSEPHUS DANIELS

File No. 812.48/3212

Consul Simpich to the Secretary of State

[Telegram]

NOGALES, ARIZONA, June 24, 1916, 2 p. m.

Does Department authorize furnishing transportation to destitutes from border to homes in States, very few cases.

SIMPICH

File No. 812.48/3218a

The Secretary of State to Consul Canada

[Telegram]

DEPARTMENT OF STATE,
Washington, June 24, 1916, 5 p. m.

Ward Line has instructed its Vera Cruz agent regarding transportation of refugees on *Monterey*. Confer with agent.

LANSING

File No. 812.48/3225

The Assistant Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, June 24, 1916.

SIR: I have the honor to request information whether there is any probability of the Army transport *Sumner* being required for any additional trips to Mexico for refugees in addition to the one upon which now engaged at the request of the Department of State.

This information is necessary in order to arrange for additional subsistence supplies if further service is in prospect.

Very respectfully,

WM. M. INGRAHAM

File No. 312.11/7898a

The Secretary of State to Consul Avery

[Telegram]

DEPARTMENT OF STATE,
Washington, June 27, 1916.

Advise all Americans in Quintana Roo to withdraw from Mexico immediately.

LANSING

File No. 312.11/7911

The Secretary of the Navy to the Secretary of State

[Extract]

NAVY DEPARTMENT,
Washington, June 27, 1916.

SIR: The commanders of naval forces in Mexican waters are now acting under general instructions to take all necessary steps short of actual hostilities to protect Americans and other foreigners in Mexico, to afford asylum to these people on board ship until they can be taken to a port of the United States, and to avoid the landing of any armed force except in case of urgent necessity, such forces to be withdrawn as soon as the purpose for which the landing was made is accomplished.

It is my intention to issue to the commanders of naval forces in Mexican waters whichever of the following instructions your Department may desire:

First—When opportunity is offered for the transportation to the United States of refugees on board naval vessels, they must either accept such transportation or be put on shore.

Second—When opportunity is offered for transportation to the United States, refugees on board naval vessels shall be sent north by such transportation whether or not they are willing to go.

Before issuing either of the above instructions, however, I am of the opinion that this Government should notify all Americans in Mexico that should they not leave Mexico at once, this Government

cannot be responsible for their safety, and that its efforts to assist in their exit will inevitably be rendered extremely difficult of accomplishment.

I have the honor to request that you inform this Department as soon as possible of your views in relation to this matter.

Sincerely yours,

JOSEPHUS DANIELS

File No. 312.11/7911

The Secretary of State to Consul Dawson²

[Telegram]

DEPARTMENT OF STATE,
Washington, June 28, 1916, 6 p. m.

Department informed several hundred Americans in various parts of Mexico intend to disregard this Government's advice to leave Mexico. This Government feels that it cannot be responsible for safety such Americans unless they leave immediately. Unless they leave now, efforts to assist them in their exit will inevitably be rendered extremely difficult to accomplish. Impress upon all Americans still in your district that they are assuming grave responsibilities if they should elect to disregard this advice.

LANSING

File No. 312.11/7911

The Secretary of State to Consul General Hanna

[Telegram]

DEPARTMENT OF STATE,
Washington, June 28, 1916, 6 p. m.

Following telegram to-day being sent to American Consuls still in Mexico, including border Consuls: [Telegram to Consul Dawson, June 28, 1916, follows.]

Act in accordance therewith, and hand copy this telegram to all Consuls now in San Antonio, for same purpose.

LANSING

File No. 312.11/7911

The Secretary of State to Collector Cobb

[Telegram]

DEPARTMENT OF STATE,
Washington, June 28, 1916, 6 p. m.

Following telegram to-day being sent to American Consuls still in Mexico, including border Consuls: [Telegram to Consul Dawson, June 28, 1916, follows.]

Act in accordance therewith.

LANSING

² Same to Mr. Parker, representing American interests, Mexico City, and to the American Consuls at Brownsville, Laredo, Eagle Pass, Nogales, Vera Cruz, Manzanillo, Guaymas, Los Mochis and the British Consul at Salina Cruz.

File No. 812.48/3212

The Secretary of State to Consul Simpich

[Telegram]

DEPARTMENT OF STATE,
Washington, June 28, 1916, 7 p. m.

Your June 24, 2 p. m. Furnish transportation to absolutely destitute American refugees.

LANSING

File No. 812.11/7911

*The Secretary of State to the Secretary of the Navy*DEPARTMENT OF STATE,
Washington, June 28, 1916.

SIR: I have the honor to acknowledge the receipt of your letter of June 27, 1916, with which you enclose copies of telegrams from Admiral Winslow and Captain Burrage relative to the reluctance shown by certain American citizens to leave Mexico, in accordance with this Government's advice.

In reply I have the honor to enclose herewith a copy of a telegram which I am to-day sending to a number of American consular officers still in Mexico. It is suggested that this telegram be repeated by the Navy Department to all United States naval vessels in Mexican waters, with instructions to the commanders thereof to cooperate with American consular officers in making the contents of the said telegram generally known among American citizens. As soon as that shall have been accomplished, it is requested that the naval forces in Mexican waters be instructed in accordance with your suggestion, contained in the sixth paragraph of your letter, which reads as follows:

First. When opportunity is offered for the transportation to the United States of refugees on board naval vessels, they must either accept such transportation or be put on shore.

I have [etc.]

ROBERT LANSING

File No. 812.48/3241

Consul Guyant to the Secretary of State

[Telegram]

QUARANTINE STATION,
New Orleans, June 30, 1916.

Arrived Quarantine this morning with 163 Porto Rican refugees on steamer *North America*. Arrangement with captain was to deliver them at Quarantine but station capacity not sufficient accommodate more than 100. No arrangement made for caring for them after detention. Am I authorized make arrangements feeding surplus during detention and carrying all to New Orleans at end of detention. To whom shall they be delivered in New Orleans? Rush answer.

GUYANT

File No. 812.48/3241

The Secretary of State to Consul Guyant

[Telegram]

DEPARTMENT OF STATE,
Washington, July 1, 1916.

You are authorized to arrange for feeding surplus refugees mentioned in your telegram yesterday. After detention period, deliver Porto Ricans to Immigration Station, where they will be held until they can be sent to Porto Rico.

ROBERT LANSING

File No. 812.48/3225

*The Secretary of State to the Secretary of War*DEPARTMENT OF STATE,
Washington, July 3, 1916.

SIR: I have the honor to acknowledge the receipt of the letter, dated June 24, 1916, signed by the Assistant Secretary of War, inquiring whether the Army transport *Sumner* will be required for additional services after that vessel returns from Vera Cruz, Mexico.

In reply I have the honor to inform you that two hundred Porto Ricans from Progreso, Mexico, are about to arrive at New Orleans, and that the services of the transport *Sumner* are desired to convey these refugees to their homes in Porto Rico.

I have [etc.]

ROBERT LANSING

File No. 812.48/3250

*The Secretary of State to Consul Dawson**

[Telegram]

DEPARTMENT OF STATE,
Washington, July 6, 1916, 6 p. m.

Consul Garrett telegraphs that he has been informed that G. L. Ingram and others, including women and children, are hiding in mountains in vicinity Chamal.

Request Mexican authorities take steps to safeguard lives persons mentioned. You should advise them to withdraw from Mexico.

LANSING

File No. 812.48/3288

*The Assistant Secretary of War to the Secretary of State*WAR DEPARTMENT,
Washington, July 6, 1916.

SIR: I have the honor to acknowledge receipt of your letter of the 3d instant, in which it is stated that the services of the *Sumner* are desired to convey about 200 Porto Rican refugees from New Orleans to Porto Rico, and to inform you that the master of the

* Same to American Consul, Brownsville, Texas.

Sumner has been advised by radio to proceed to New Orleans after disembarking at Port Tampa the refugees brought from Vera Cruz, for the purpose of transporting the Porto Ricans to San Juan, Porto Rico.

Unless otherwise notified, the *Sumner* will be returned to Newport News, Va., after disembarking the Porto Rican refugees at San Juan, P. R.

Very respectfully,

WM. M. INGRAHAM

File No. 812.48/3279

Consul Dawson to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Tampico, July 7, 1916, 6 p. m.

Your July 6, 6 p. m. Approximately 90 Americans in Chamal Colony, fully advised of conditions and warned various times to withdraw from Mexico, decided to remain, preferring to take chances rather than abandon their only property. Believe it useless to warn them again. I am reliably informed many late refugees are already returning in belief that crisis is passed.

DAWSON

File No. 812.48/3340a

*The Acting Secretary of State to Consul Canada **

[Telegram]

DEPARTMENT OF STATE,
Washington, July 13, 1916, 6 p. m.

The appropriation for relief destitute Americans in Mexico provides that beneficiaries shall reimburse the United States for all expenditures made on their account if financially able to do so. In making expenditures take demand notes payable to the Treasurer of the United States. See that notes are carefully signed, that address of beneficiary in United States is clearly given and if possible obtain collateral security.

In addition to notes, take receipts from each beneficiary to support your account. Receipts should be itemized, showing amount of transportation and subsistence separately.

Subsistence must not exceed two dollars per day. Transportation most reasonable rates obtainable.

POLK

File No. 812.48/3320

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, TEXAS, *July 13, 1916, 10 p. m.*

Chamal colonists in mountain sent a messenger to me requesting me to ask Department's assistance to get them out as they have been robbed until they have neither food nor money to reach border and

* Same to all border Consuls, Consul Tampico, and Parker at Mexico City.

this is why they have not come. The cheapest and best route is through Laredo, and if Department will authorize me to do so I will send one of the colony from here and bring them out.

GARRETT

Act of Congress for relief of Americans in Mexico

CHAP. 244.—An Act making an appropriation for the relief and transportation of destitute American citizens in Mexico.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the relief of destitute American citizens in Mexico, including transportation to their homes in the United States, there is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$300,000, to be expended under the direction and within the discretion of the Secretary of State, and to be available for the fiscal years nineteen hundred and sixteen and nineteen hundred and seventeen: *Provided,* That American citizens to whom relief is extended or transportation is furnished hereunder shall pay to or reimburse the United States all reasonable expenses so incurred, respectively, on their account, if financially able to do so.

Approved, July 14, 1916.

File No. 812.48/3322

The Acting Secretary of State to Consul Garrett

[Telegram]

DEPARTMENT OF STATE,
Washington, July 17, 1916, 5 p. m.

You are authorized to employ messenger, and to furnish destitute Americans at Chamal transportation in accordance with Department's July 13, 6 p. m.

POLK

File No. 812.48/3353

Consul Garrett to the Secretary of State

[Telegram]

LAREDO, TEXAS, July 22, 1916, 9 a. m.

Sent messenger yesterday morning to bring out Chamal colonists. Two persons arrived here from colony this morning and informed me there were about 85 colonists hiding in mountains, about 50 of them women and children.

GARRETT

File No. 812.48/3398

Special Representative Rodgers to the Secretary of State

No. 126

AMERICAN EMBASSY,
Mexico City, July 28, 1916.

SIR: I have the honor to invite the attention of the Department to the fact that, from various sources, I have learned that certain of the Americans who left Mexico City during the strained period of

June, 1916, are now alleging that blame should attach to the American representatives in Mexico City for their departure, inasmuch as they gave *orders* for them to leave and practically compelled them to do so.

As to this I wish, on behalf of Mr. Charles B. Parker and for myself, to enter an emphatic and general denial. In no instance, to my knowledge, was any order issued. In obedience to the instructions of the Department, all Americans to whose attention the matter could be brought were advised to leave the city if they could do so without too great sacrifice of their property and affairs. In the large majority of instances, no such advice was necessary, as these Americans were only too ready to go, and were clamoring for transportation facilities. As a matter of fact, it is my understanding that many of those who were most critical as to the means afforded them for getting away and who chafed at any delay, are now those who are loudest in their denunciation of the Government and of the Government's representatives.

I repeat, therefore, with the utmost emphasis, that there was no species of compulsion of any character used and that, invariably when any American referred to leaving under orders he was promptly corrected, the statement being made to him that it was simply the advice of the Government, in view of current conditions, which seemed to justify it, and that each individual would have to make up his or her mind as to what policy they would pursue. It is true that in many instances Americans attempted to have me make up their minds for them, but I resolutely refused, and contented myself simply with citing facts, which seemed sufficient.

It is my desire in this to make clear that each and every man and woman who left Mexico City, or other cities of Mexico, under these conditions, acted as a free agent and under the full knowledge and belief that the circumstances and conditions fully warranted their getting out of Mexico as speedily as possible and under the armed protection of the United States.

For my own part and policy in the matter, I have no apology whatever to offer to anyone, but I make this statement generally for the information of the Government, and essentially in the interest of Mr. Parker, who simply carried out the instructions given to him from the Department of State, and also those which I gave to him from time to time, all having the same general relation to the cause.

I have [etc.]

JAMES L. RODGERS

File No. 812.48/3398

The Secretary of State to Special Representative Rodgers

DEPARTMENT OF STATE,
Washington, August 7, 1916.

SIR: The Department acknowledges the receipt of your despatch No. 126, of July 28, 1916, in which you state that it has come to your attention that certain American citizens who left Mexico City during the month of June last assert that they were *ordered* to leave Mexico, as a result of instructions issued by the Department of State.

In reply you are informed that several complaints of this character have reached the Department, and that it has consistently informed the authors of such complaints that this Department did not order American citizens to leave Mexico, but that it advised them to withdraw temporarily from that country.

I am [etc.]

For the Secretary of State:

JOHN E. OSBORNE

Reports from American consular officers giving approximate number of Americans in their districts, number departing and number remaining

Date	Place	Number in district	Number departing	Number remaining	File No.
1916					
Mar. 13	Chihuahua		85		312. 11/7411
16	Torreon		60		312. 11/7449
18	do.			25	312. 11/7473
18	Laredo		14		312. 11/7470
19	Manzanillo	130			312. 11/7472
20	Ensenada	130			312. 11/7476
20	Mazatlan	500			312. 11/7478
21	Guaymas, Empalme and Yaqui Valley				7487
21	Vera Cruz	300			312. 11/7488
21	Salina Cruz	75			312. 11/7482
21	Chihuahua	125	53		312. 11/7484
22	Frontera	36			312. 11/7541
22	Guadalupe		Considerable number		312. 11/7502
23	Progreso	55			312. 11/7494
23	Tampico, Tuxpam	2,100			312. 11/7507
23	Aguascalientes	18			312. 11/7503
27	Durango	30			312. 11/7535
23	Acapulco	25			312. 11/7523
Apr. 4	Progreso	200			312. 11/7530
		(Porto Ricans)			812. 48/3104
11	Mazatlan		150	400	312. 11/7617
13	do.		73 (8 British)		312. 11/7646
18	do.		10		312. 11/7648
28	do.		30		312. 11/7641
May 8	do.		50	300	312. 11/7737
13	do.		20		312. 11/7693
June 19	Nogales		170		312. 11/7800
19	Mexico City	670			312. 11/8015
20	do.		30	675	312. 11/7808
20	Nogales		110	25 (at El Tigre)	812. 00/18512
21	Vera Cruz	200			312. 11/7819
22	Mexico City		350	300	312. 11/7840
24	do.		100	300	312. 11/7872
24	do.	1,088			312. 11/8008
25	Tampico		1,180	250	812. 48/3222
27	Laredo		all		312. 11/7891
27	Mexico City		70		312. 11/7894
27	Frontera		50		812. 48/3223
28	Mexico City		30		3296
28	Salina Cruz			15	312. 11/7902
29	Nogales			Few	312. 11/7903
29	Vera Cruz			Many refusing to leave	312. 11/7915
29	Tampico		975		312. 11/7916
29	Guanajuato		13		812. 48/3235
20	Quintana Roo	4			312. 11/7985
29	Torreon		14		312. 11/7924
July 1	Monterey		Nearly all.	6	312. 11/7930
1	Manzanillo		86		312. 11/7950
3	Mexico City		66	200	812. 48/3244
3	Tampico		50	150	312. 11/7989
4	Juarez			500 (Mormons at Dublin)	812. 48/3249
6	Vera Cruz		800	50	312. 11/7964
21	Guadalupe		65	Over 100	812. 48/3260
Aug. 4	Laredo		37 from Chama		812. 48/3374
11	do.		8 from Chama		812. 48/3896
14	do.		6 from Chama	40	812. 48/3407
					812. 48/3413

File No. 812.00/19778

The Secretary of State to Collector Cobb

[Telegram]

DEPARTMENT OF STATE,
Washington, November 9, 1916, 6, p. m.

Inform British Consul at Chihuahua British Embassy here has received his message regarding situation in Chihuahua City, and desires him to know that inasmuch as the Consul is on the spot, he is the best judge as to what action to take to safeguard British subjects. Department of State wishes British Consul to advise Americans to leave Chihuahua City.

Endeavor convey foregoing by trustworthy traveler, if possible.

LANSING

File No. 812.00/19885

The Secretary of State to the French Consul, Mazatlan

[Telegram]

DEPARTMENT OF STATE,
Washington, November 17, 1916.

Department informed several American citizens left Parral, Chihuahua, on November 3, for Culiacan. These Americans were threatened by bandits and could not come out by way of border. They are traveling on horseback.

Please communicate with Culiacan and endeavor ascertain whether said Americans have arrived there, and if not, request appropriate authorities to assist you in locating Americans in question. Kindly keep Department informed of developments.

ROBERT LANSING

File No. 812.00/19885

*The Secretary of State to the Secretary of the Navy*DEPARTMENT OF STATE,
Washington, November 17, 1916.

SIR: Several days ago I was informed by American consular officers along the Mexican border that on account of the capture of Parral, State of Chihuahua, Mexico, by Villista forces, several American citizens at that place were in grave danger of being killed by bandits. I am now informed by the Department's representative at El Paso that several American citizens residing at Parral left that city on November 3, 1916, for Culiacan, State of Sinaloa, Mexico. These Americans are said to be traveling on horseback. I have no means of ascertaining when they may be expected to reach the Mexican west coast.

I have the honor to suggest that the Senior Naval Officer present in Mexican west coast waters be informed that these Americans are endeavoring to reach Culiacan, and that he be directed to give them such assistance as may be necessary upon their arrival at a Mexican

west coast port. I have requested the French Vice Consul at Mazatlan to communicate with Culiacan for the purpose of ascertaining whether the Americans in question have arrived there.

I have [etc.]

ROBERT LANSING

File No. 312.11/8236

The Secretary of State to Vice Consul Coen

[Telegram]

DEPARTMENT OF STATE,

Washington, November 20, 1916.

Advise Americans in your district to withdraw from Mexico.

LANSING

File No. 312.11/8308

Consul General Hanna to the Secretary of State

[Telegram]

SAN ANTONIO, TEXAS, December 22, 1916, 11 p. m.

British Consul Pat O'Hea arrived at San Luis Potosi this afternoon together with 24 Americans and families, also 7 Britishers and families.

HANNA

PROTECTION OF AMERICAN MINING INTERESTS IN MEXICO ¹

File No. 812.512/958

Special Agent Silliman to the Secretary of State

[Telegram]

QUERÉTARO, January 5, 1916, 11 a. m.

Department's December 28, 11 a. m. Mining taxes. Subsecretary informed me this morning Chief Executive is disposed to reconsider and reform present mining decree granting interests a considerable reduction. He awaits the arrival here of Cabrera in order to finally formulate the modifications.

SILLIMAN

File No. 812.512/1017

Mr. Parker, representing American interests, to the Secretary of State

No. 273

MEXICO CITY, January 26, 1916.

SIR: For the information of the Department, I have the honor to transmit herewith a translation of a circular, which has force of law, promulgated by the Subsecretary of Finance of the *de facto* Government of Mexico with reference to the payment of mining taxes.

I have [etc.]

CHARLES B. PARKER

¹ Continued from For. Rel. 1915, p. 892.

[Inclosure—Translation]

DEPARTMENT OF FINANCE

In order to regulate the collection of the mining tax, this office hereby grants a term of one month, from the first of January next, to pay all taxes in arrears, it being understood that after the expiration of such time, the titles to all mining property on which the taxes have not been paid, will be forfeited, in accordance with Article No. 6 of the Law of June 6, 1892.

And I communicate the above to you for your information and effects.

MEXICO, December 29, 1915.

The Assistant Secretary of Finance,
NIETO

File No. 812.512/1022

Special Agent Silliman to the Secretary of State

[Telegram]

GUANAJUATO, February 10, 1916, 1 p. m.

Arranged for informal meeting this morning between managers of principal American mining companies representing many millions and Secretary Cabrera. Conference lasted an hour. Local and general situation frankly and fully discussed. Secretary states that due to Government's need of money it was obliged to adopt measures that it would not consider under ordinary circumstances; that it wishes the mining companies to understand this and that while the Government must go to the limit in taxes, it did not want to go beyond the limit. It wanted to dismiss its soldiers as rapidly as possible and have them employed in mines and other industries; that Government must foster industries and not oppress them. Interests of the Government and the industries of the country, he said, are mutual, and not antagonistic. He asked companies to be patient and to trust the Government to do its best for them under the abnormal circumstances. He said to them, and afterwards confirmed to me, when I read him Department's February 8, 4 p. m., that Government had decided that any change in mining the here [decree?] would be considered during the next period and if changed it would become effective with beginning of new fiscal year July 1. This means that taxes for the next tercio will have to be paid according to terms of the present decree.

SILLIMAN

File No. 812.512/1017

The Secretary of State to Special Agent Silliman

DEPARTMENT OF STATE,
Washington, February 11, 1916.

SIR: There is enclosed herewith a copy of a despatch from the Department's representative at Mexico City, dated January 26, 1916, and a translation of a circular issued by the Assistant Secretary of Finance, dated at Mexico City, December 29, 1915, granting a term of one month, from the first of January, within which all mining taxes in arrears must be paid.

You are instructed to bring this matter to the attention of the appropriate authorities, and, in behalf of American citizens owning mining property in Mexico, to request an extension of the time to pay

arrears in taxes which will be sufficient to give such persons an adequate opportunity to arrange the matter.

In this connection, you will point out that the disturbed conditions which have existed in Mexico during the past several years, and particularly in some sections thereof in which many mines belonging to foreigners are located, have rendered it exceedingly difficult, and in some cases virtually impossible, for the owners of mining properties to pay taxes thereon, and that the time granted in the decree of the Department of Finance, namely, one month, is entirely too short to enable mine owners, generally, to liquidate their arrears of taxes.

I am [etc.]

For the Secretary of State:

WILLIAM PHILLIPS

File No. 812.512/1041a

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,

Washington, February 21, 1916, 6 p. m.

Mining decrees. All statements made on subjects by *de facto* Government are unsatisfactory and unresponsive to Department's representations. In view of the manifest friendliness of this Government for the Mexican people, it confidently expects that the *de facto* Government will see the justice in the request of this Government and will annul the mining decrees or at least so modify them as to give some definite evidence of the existence of a reciprocal sentiment on the part of the *de facto* Government towards this Government, and that those decrees which, if allowed to stand will result in the practical confiscation of much American property, will be made to conform, for the taxes due on March 1, to the Mexican constitution and laws emanating therefrom, and that collections of taxes which have already been made by reason of the decrees complained of, shall be regarded only as deposits, subject to liquidation and adjustment when more nearly normal conditions shall prevail in Mexico. You will hand copies of this telegram and of the Department's telegrams of June 30 and December 28 to General Carranza and to Mr. Cabrera.

LANSING

File No. 812.512/1115a

The Secretary of State to Special Agent Silliman

DEPARTMENT OF STATE,

Washington, February 21, 1916.

SIR: You are instructed to bring the following statement personally to the attention of General Carranza, handing him a copy thereof:

The Government of the United States is cognizant and mindful of all that is transpiring in Mexico, particularly is this so in relation to events pertaining to the revolution, and it has taken into deep and friendly consideration the uncontrollable bounds which the excesses of the fratricidal strife, at times, assumed, to the consequent cost of American lives, property, and rights. This Government has con-

sistently shown its friendly interest for the Mexican people in numerous and manifest ways, and it has no desire or thought of altering its well-known attitude of good will. In the capacity of a friend it wishes to continue to lend such assistance as it appropriately can, to enable the Mexican people to attain the greatest measure of liberty, peace and happiness.

During the earlier period of the revolution, because of there being no recognized government, and because of the existence of different factions, many untoward incidents occurred in Mexico, affecting the rights of Americans and other foreigners, even going to the extreme of a deplorable sacrifice of human life, and giving the deepest concern to this Government; all the more so because of its earnest and kindly inclinations toward the Mexican nation.

Since the recognition of the *de facto* Government, on October 19, 1915, this Government has extended its friendship in an even more tangible manner, and, in numerous ways has assisted, cooperated with, and supported the *de facto* Government, realizing full well that the work of pacification is no light task, and that, in the pursuance of that object, the *de facto* Government would have, at times, to face bewildering circumstances and to solve difficult problems.

Moved by its sincere desire to be helpful, and in accordance with the spirit which this desire excites, this Government invites the attention of the *de facto* Government to the unfortunate, and, it may be said, disastrous effect of a number of decrees recently promulgated by the *de facto* Government. These decrees were probably issued with the best of intentions. It appears, however, that in taking into account the underlying causes which probably prompted their issuance, a studious consideration of their probable effect was, unfortunately, not given before official pronouncement. In many cases decrees, designed to be remedial to the exchequer of the *de facto* Government, have had, and will continue to have, the contrary effect. The imposition of arbitrary and excessive taxes, practically confiscatory in their nature, tends to stifle industry and to stagnate business. On the other hand, if the cooperation of the industrial agencies which formerly operated in Mexico were invited, with assurances of protection while their plants were being rehabilitated, and in their subsequent operation; and if, at the same time, the *de facto* Government should announce that it wished them to assist it in the work of restoring peace and reviving prosperity, and that the old rates of taxation to which they were formerly accustomed would be applied, it is reasonably certain that such a blend of friendliness and economic wisdom would result in establishing wholesome confidence and would instill a new-born strength into the country. Millions of dollars would drift rapidly into Mexico, and, before it would be realized, the flood-tide of prosperity would have set in. Such a policy would logically have had an immediate effect on the paper money issued by the *de facto* Government, and would have been, and would still be, of wonderful aid to it in solving its perplexing problems, and of removing many of them forthwith.

Decrees like those of Governor Caballero, of Tamaulipas, of January 14, 1914, just now being put into effect; of the Governor of Chihuahua, of December 31, 1915; of Governor Aguilar, of

Vera Cruz, of January 15, 1916; of Governor Triana, of Aguascalientes, of January 21, 1916; of Governor Calles, of Sonora, of January 27, 1916; and the circular of the Secretary of Justice, of February 18, 1916, all of which affect property rights, with clauses, or phraseology, which make it plain that they are aimed at foreigners; the decree prohibiting the exportation of cotton, and that applying the same restriction to hides, can produce only ill effects. They are all in direct violation of the Constitution of Mexico and advertise to the world, all too plainly, facts which certainly should not be made so patent. Some of these decrees, it appears, were issued without the knowledge of General Carranza; but the fact that they remain in force, after his attention has been called to them, tends to show that they have his approval.

Four months have elapsed since this Government recognized the *de facto* Government, of which General Carranza is the Chief Executive. During that time a number of decrees have been issued, and the provisions of previous decrees insisted upon, which have seriously affected American property and rights, and if some of these decrees emanating from General Carranza continue to be enforced by him, they will assume proportions of very grave concern, for, aside from the nature of the decrees, the spirit shown throughout is not reciprocally in consonance with that shown by this Government. Owing to the importance of the case, this Government was constrained, on June 30, 1915, to take a stand relative to the increased taxes imposed by the mining decree of March 1, 1915. On December 28, 1915, this Government reiterated its stand of June 30. Since that time this Government was informed that upon the return of Señor Luis Cabrera it was expected that certain modifications would be made in this decree. Señor Cabrera returned to Querétaro the early part of the present month, and it was then stated that the excessive taxes imposed by this decree, in many cases confiscatory, should be paid on March 1, but that certain modifications would be considered for the taxes falling due on July 1, 1916. This Government regards the matter as one of such grave import that it most earnestly desires the *de facto* Government to give this subject full and conscientious reconsideration. In fact, it asks that the annulment of this decree, before March 1, be taken under serious advisement. It may here be stated that the operation of the decree of March 1, 1915, has already caused the threatened abandonment of certain mining properties; and when such measures begin to be adopted, it will be difficult to foresee how far they will go, or what effects they may produce.

This Administration feels assured that the broad circumspection of the *de facto* Government will make evident to it the fact that failure to adopt measures to win the confidence of the people at home and of foreign nations will have the effect of keeping the currency of the *de facto* Government at its present depreciated figure, or of still further depressing it. That condition of the currency, together with others so closely correlated that they cannot be regarded separately from it, makes the very delicate task before the *de facto* Government one which should be approached, in all of its phases, with the greatest caution as to means and considerateness as to consequences.

I am [etc.]

ROBERT LANSING

File No. 812.512/1044

Special Agent Silliman to the Secretary of State

[Telegram]

GUADALAJARA, February 24, 1916, 4 p. m.

4. Pending written reply to my representation conveying Department's February 21, 6 p. m., mining decrees.

Foreign Secretary said on the train this afternoon:

First, the Mexican Government cannot comply with the request of the Government of the United States to annul the present mining decree nor can it modify the decree at this time. Second, the Mexican Government does not consider the Department's construction of the Mexican constitution in the matter as tenable. Third, the Mexican Government must consider payments made for mining taxes due and receipts given therefor as a complete liquidation.

SILLIMAN

File No. 812.512/1044

The Secretary of State to Special Agent Silliman

[Telegram—Extract]

DEPARTMENT OF STATE,

Washington, February 26, 1916, 4 p. m.

Your 4, February 24, 4 p. m. You will say to General Carranza that this Government is deeply disappointed at his attitude toward the representations of this Government in a matter so vitally affecting a vast amount of American owned property. You will also say to him that this Government, while not wishing to add to the many difficulties confronting the *de facto* Government, feels it to be its duty towards its own citizens very earnestly but respectfully to reaffirm the tenor of its telegrams on this subject, of June 30 and December 28 last, and the 21st instant.

LANSING

File No. 812.512/1065

Special Agent Silliman to the Secretary of State

[Telegram]

GUADALAJARA, March 4, 1916, 5 p. m.

3. First Chief has been at Chapala during entire week dispatching accumulated business. Went out in automobile yesterday and spent night at Chapala. Delivered Department's mail instructions of February 21, also Department's aFebruary 24, 4 p. m., which reached me greatly delayed. In compliance with Chief's expressed wish both documents were presented to Secretary Acuna. They were received without discussion or comment. Chief will return to Guadalajara tomorrow. He will visit Aguascalientes and Zacatecas before returning to Querétaro. Stated to me would make only short stay at cities named.

SILLIMAN

File No. 812.512/1085a

The Secretary of State to Special Representative Rodgers

[Telegrams]

DEPARTMENT OF STATE,
Washington, March 13, 1916, 6 p. m.

Mining decree. Refer to Department's telegrams June 30, December 28, February 21 and 26 to Silliman, and to memorandums given you in person. You are instructed to take up with General Carranza, at first favorable and early opportunity, the annulment of the mining decree of March 1, 1915. If, after earnest representations, you find that abrogation is impossible at present, you should then use every effort to convince General Carranza that the ruling for the payment of taxes for the last tercio, namely, at rate of eight pesos per annum per pertenencia, be made to apply to taxes now due. Also the metal export duties fixed by said decree should be reduced by one half. Failing in your efforts, endeavor to obtain an extension of 30 days after March 31, for payment of taxes now due.

You will call General Carranza's attention to the assurances given Silliman, set forth in latter's telegram of January 5.

LANSING

File No. 812.512/1093

DEPARTMENT OF STATE,
Washington, March 24, 1916, 6 p. m.

6. If annulment or modification of mining decree has not yet been accomplished in accordance with Department's March 13, 6 p. m., you will, in view present unusual circumstances, and impossibility for many interested Americans to pay their taxes before April 1, immediately concentrate your best efforts to secure, as a temporary expedient, longest possible extension in time for payment of this tercio's tax, in order that more time may be available for negotiations.

Telegraph status and prospects.

LANSING

File No. 82.512/1113

Special Representative Rodgers to the Secretary of State

[Telegram]

QUERÉTARO, *March 28, 1916, 1 a. m.*

8. In reply to Department's March 24, 6 p. m. Mining decree. Authorized to state by the Secretary of the Treasury that extension time payment mining taxes present tercio will be given until May 1, and that no forfeitures will occur before July 1 in any event. Meanwhile further careful consideration will be given whole matter with view absolutely fair action in view conditions both sides of the question. Invited by the Secretary of the Treasury consult with him frequently about this subject and to study same in conjunction with Mexican authorities. Secretary of the Treasury stated frankly Mexico needs revenue but would proceed fairly and justly in all things. Believe mining matter safely can be left in abeyance for the present.

RODGERS

File No. 812.512/1113

The Secretary of State to Special Representative Rodgers

[Telegrams]

DEPARTMENT OF STATE,
Washington, March 31, 1916, 4 p. m.

19. Your 8, March 28, 1 a. m. It is suggested that you convey to *de facto* Government Department's appreciation of extension time-limit within which mining taxes may be paid.

LANSING

File No. 812.512/1141

DEPARTMENT OF STATE,
Washington, April 11, 1916, 5 p. m.

34. American mining representative in Mexico City telegraphs: "No decree exists relative extension May 1 without fine."

Ascertain and telegraph whether or not those taking advantage extension time to pay mining taxes will be subjected to fines or penalties.

LANSING

File No. 812.512/1143

Special Representative Rodgers to the Secretary of State

[Telegrams]

MEXICO CITY, *April 12, 1916, noon.*

4. In reply to Department's April 11, 5 p. m. Cabrera said Monday, instructions to collectors taxes allowing extension time for payment mining taxes would be issued at once, press other matters delayed this action. Will ask for further time. Any fine or penalty paid will be credited on payment taxes present tercio. Few such cases. Have explained all this to mining representatives here. Will be little action until new law announced.

RODGERS

File No. 812.512/1158

MEXICO CITY, *April 19, 1916, noon.*

21. Mining taxes. New taxes effective July 1. Precious metal mines. One to ten pertenencias six pesos Mexican gold each per annum; eleven to fifty, twelve pesos; fifty-one to hundred, eighteen pesos; over hundred, twenty-four pesos.

Nonprecious metal mines. One to fifty pertenencias, six pesos Mexican gold each; fifty-one to two hundred, twelve pesos; two hundred to five hundred, eighteen pesos; above five hundred, twenty-four. Export tax gold and silver ten per cent *ad valorem*. State tax raised to maximum of two per cent. Cabrera states intent new law develop small holdings and places prohibitive rates upon undeveloped large holdings. Justifies increase export tax by necessity for revenue.

Mining interests while not satisfied are acquiescent some extent. Disinterested people assert new taxes rather fair. Do not think much, if any, amendment possible.

RODGERS

File No. 812.512/1175

Special Representative Rodgers to the Secretary of State

[Extract]

No. 25

MEXICO CITY, April 20, 1916.

SIR: I have the honor to forward herewith, in duplicate, a translation of the proposed mining tax law which has been under preparation by the Secretary of the Treasury of the Republic of Mexico. The salient points of this law I transmitted to the Department by telegraph on the 19th.

I have [etc.]

JAMES L. RODGERS

[Inclosure—Translation]

MINISTRY OF FINANCE AND PUBLIC CREDIT,
DEPARTMENT OF TAXES.

The First Chief of the Constitutionalist Army, in charge of the Executive of the Union, has addressed to me the following decree:

Venustiano Carranza, First Chief of the Constitutionalist Army, in charge of the Executive of the Union and Chief of the Revolution, in use of the extraordinary faculties of which I am vested, has seen fit to decree as follows:

Article 1. Export ores produced in the Republic or those coming from foreign countries, are subject to the Interior Stamp Tax without any other exceptions than those expressly determined by the law. Said tax will be caused in the future as follows:

a. Ores which should be exported in the form of mineral earth, cyanides or sulphides, smelting residues, or in any other form in which same may be combined or mixed with substances which are not metals proper, as follows: Gold and silver at the rate of 10 per cent *ad valorem*. Other metals at the rate of 5 per cent *ad valorem*. The Ministry of Finance, in accordance with the rates quoted in the New York market, will publish in due time the monthly rates for the payment of this tax.

b. On ores treated in this country to such a point of refinement that they may not be mixed with any other substance but metallic ones, the taxes shall be reduced 20 per cent as fixed in item "a".

Article 2. The following are exempt from the Interior Stamp Tax:

a. Refined gold which may be introduced to the mints for the purpose of coinage and that which may be presented at the governmental offices in order to exchange it for silver coin at the rate of 75 grams of gold for one silver peso.

b. National and foreign gold and silver coins.

c. Silver which may be exported in the form of mineral rock, mineral earth, or silver dust, either in the natural state or concentrated, sulphides, cyanides, smelter residues, provided that the quantity of silver contained in any of said products does not exceed 250 grams per ton.

d. Gold and silver which having been imported to this Republic in any of the forms mentioned in item "c" or partially treated and which may be exported, within four months after its importation, in the form of bars, and after having undergone metallurgical treatment in Mexican establishments.

e. Gold and silver used in the national industry.

f. Samples of ore in their natural state, which may be exported under the conditions fixed by existing regulations.

g. Copper ores; when the copper contents are less than 3 per cent; lead ores; when the lead contents are less than 10 per cent; and zinc ores; when the zinc contents are less than 15 per cent.

Article 3. Assay charges will only be assessed when the assay operation is performed at the request of interested parties, by prescription of the law or by governmental disposition; the smelting charge will be made when the bars do not show sufficient homogeneity and when such operation may be required for the assay or valuation; and a charge of refining will be made when so requested by the interested parties. All of the above operations will be made in such assay offices as the Government may have for the purpose.

The charge for each one of the operations mentioned in the foregoing, shall be fixed by means of a tariff, based on the actual cost of operations, which tariff will be published by the Department of Finance.

Article 4. Metallurgical establishments, which, by virtue of special concessions which the Government may have granted them and which may be in force on the date of this law and may be thereby enjoying any franchises in the question of local or federal taxes, may take advantage of the terms of the present law, provided that such establishments renounce any franchises, without any reservation whatsoever, before the Department of Finance. In the meanwhile such establishments shall not enjoy the benefits of the present law, but shall be subject to the terms of their respective concessions, and to the law and rulings of March 25, 1897, and to all other dispositions which may now be in force, including the toll for coinage.

Article 5. When the concessions granted to metallurgical establishments shall have expired, such concessions shall not be renewed or extended, in so far as the question of taxation is concerned and the said metallurgical establishments shall be subject to the regular taxes which may be then in force.

Article 6. The tax represented by special stamps which, according to the present mining law, should be affixed on mining titles, shall be ten dollars national gold, for each "pertenencia" or claim which such titles may cover, regardless of the ores which may be found on the ground.

Article 7. The annual mining tax shall be as follows:

GOLD AND SILVER MINES

- A. On claims of from 1 to 10 "pertenencias," at the rate of \$6.00 per year per "pertenencia" or \$2.00 for each "tercio."
- B. From 11 to 50 "pertenencias" \$12.00 per year or \$4.00 per "tercio."
- C. From 51 to 100 pertenencias \$18.00 per year or \$6.00 per "tercio."
- D. From 101 "pertenencias" or more, \$24.00 per year or \$8.00 per "tercio."

MINES OTHER THAN GOLD OR SILVER

- A. From 1 to 50 "pertenencias" \$6.00 per year per "pertenencia" or \$2.00 per "tercio."
- B. From 51 to 200 "pertenencias" \$12.00 per year or \$4.00 per "tercio."
- C. From 201 to 500 "pertenencias" \$18.00 per year or \$6.00 per "tercio."
- D. From 501 or more \$24.00 per year or \$8.00 per "tercio."

Article 8. The scale or rates, as per above, shall be only applicable when the "pertenencias" may belong to the same owner and are located in the same mining district and whether they are contiguous or not.

Article 9. Applications for concession of mining ground, shall have no legal effect and shall not be proceeded with unless they are sent in with the certificates issued by the local stamp office showing that the necessary deposit has been made to cover the stamps on the titles, according to the number of claims contained in the applications. Such certificates of deposit shall be returned to the interested parties as soon as the stamps have been affixed and cancelled upon the titles patents or if the application for denouncement has been finally rejected.

Article 10. In lieu of the 1½ per cent authorized by Art. 12 of the law of March 25, 1905, 2 per cent is now hereby authorized in accordance with Art. 4 of the Decree of July 6, 1867, which fixed said 2 per cent as the maximum with which the states or the federation in its case, may tax the mines.

Article 11. Zinc bars, filings, scrap zinc or zinc shavings, as per fraction 221 of the customs house tariff, sulphur as per fraction 536, hyposulphate of sodium as per fraction 559, and zinc sheets as per fraction 225, provided the sheets are not over 1 x 2.25 ms. and 1 millimeter in thickness and perforated every 20 centimeters in any direction, shall be imported free of duty.

Article 12. All amounts which should have to be paid into the Treasury on account of the present law, shall be paid in National gold coin.

TRANSITORIES

Article 1. This decree shall become effective from the date of its promulgation, but the rates fixed by Art. 7 and 8 shall be applicable from the 1st of July, 1916.

Article 2. From the date of the promulgation of this law, the law of March 25, 1905, and decree of March 1, 1915, shall be definitely derogated.

Article 3. Owners of mining property on which mining taxes may now be pending shall make payments as follows:

A. Taxes pending prior to March 1, 1915, shall be paid for in accordance with the rates which were in effect before that date, plus a fine of 200 per cent.

B. Taxes pending, corresponding to the "tercio" from March to June, 1915, shall be paid for at the rate of \$6.00 per "pertenencia," for each of the first 25 and at the rate of \$3.00 pesos for each exceeding "pertenencia," plus a fine of 150 per cent.

C. Payments due, corresponding to the "tercio" from July to October, 1915, shall be paid for at the rate of \$6.00 per "pertenencia," whatsoever the number of pertenencias may be, plus a fine of 100 per cent.

D. Payments due, corresponding to the "tercio" from November 1, 1915, to the last day of February, 1916, shall be paid for at the rate of \$8.00, plus a fine of 50 per cent.

E. Payments due, corresponding to the "tercio" from March to July, 1916, shall be paid during the present month, in accordance with the rates fixed by the Decree of March 1, 1915, without any fine.

Article 4. A term, which shall expire on the 30th of June, 1916, to pay all the taxes which may now be in arrears up to the 29th of February, 1916, is hereby granted. Nonpayment shall cause the forfeiture of the titles.

Article 5. For once only, and in order to pay such taxes as are in arrears up to the 29th of February, 1916, an option is hereby given tax payers to pay either in national coin or its equivalent in paper money, at the rate of exchange fixed by the monetary commission.

Article 6. Tax payers who after March 1, 1915, may have paid any quantity which may exceed that fixed by the transitorial articles of this decree, shall have a right to a refund, the amount of which shall be credited to them on account of future payments.

Therefore, I order that this decree be printed, properly circulated and duly complied with.

CONSTITUTION AND REFORMS

Issued in the city of Mexico on the 16th of April, 1916.

VENUSTIANO CARRANZA

File No. 812.512/1158

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, April 24, 1916. 6 p. m.

58. Your 21; April 19. American mining companies disappointed in proposed new rates. They claim new decree more severe, in some respects, than present decree, and request Department to insist on position taken in its June 30 last, that taxes should be collected in accordance with laws emanating from Constitution, and contend that this Government should not recognize forfeitures resulting from inability to pay the present high rates, in view prostrate condition mining and smelting industry in Mexico. Companies also desire to know whether you can effect compromise, on basis of last November payment, namely, eight pesos per pertenencia.

Department does not consider that new decree in any way meets suggestions of this Government. You will therefore renew your best efforts to obtain consent of *de facto* Government to accept payment present and last tercio's tax, on basis eight pesos, and to effect material modification in proposed decree. Telegraph soon as possible.

Mining companies believe persons mentioned last paragraph your telegram probably not *bona fide* representatives substantial mining interests.

LANSING

File No. 812.512/1186

Special Representative Rodgers to the Secretary of State

[Telegram—Extract]

MEXICO CITY, April 25; 1916, 7 p. m.

30. In reply to Department's 58, April 22, 6 p. m. Had extended conference with Cabrera on proposed mining taxes to-day. He stated, first, that Mexico has undoubtedly right to institute, apply and maintain its own revenue measures and that in this instance such measures are instituted in regular manner by *de facto* Government. Second, that Mexico Government determined to apply principle high tax to large holdings, mineral lands and low to small, this being for general benefit and in the interest of overvalues. Third, that proposed taxes not high, but only fair, and especially so to Government which needs revenue for rehabilitation after disastrous period civil disturbance. Fourth, that proposed taxes when reduced to average basis will appear low for privilege given. Fifth, that mining companies and encumbents of nationality other than American have not objected to *pertenencia* taxes but apparently have accepted that in good spirit. Sixth, that advisability increasing export tax should be open to question. Seventh, that intent proposed decree to develop mining industry and not to retard it. Eighth, that Mexican Government thinks proposed decree all right and will adhere to it and it remains for mining operators to say whether they desire to work under it or not.

Suggestions of compromise tax eight pesos per *pertenencia* and was informed would not be considered as sliding scale proposed meets view Mexican Government.

Some slight modifications in minor details proposed decree probable and perhaps export tax may be lowered after trial but think announced taxes will be maintained absolutely and that nothing more can be done at present.

RODGERS

File No. 812.512/1197

Consul Simpich to the Secretary of State

No. 508

AMERICAN CONSULATE,
Nogales, Mexico, May 6, 1916.

SIR: I have the honor to report that there are in this District many foreign-owned mines; that from August 1914 to November 1915, owners of many of these mines paid accruing taxes to the then *de facto* authorities, to wit, the Maytorena-Villa element. For obvious reasons they could not refuse so to pay.

Now comes the Carranza régime, and through its local collector declares that tax payments made as described to the Maytorena-Villa faction cannot be considered as a legal payment of taxes; that

taxes so paid to the Villa or Maytorena authorities must now be paid again, to the present *de facto* Government otherwise titles to mining property involved will revert to the Republic of Mexico. I have seen no formal printed decree to this effect, but such is the information given out at the office of the tax collector at Nogales.

It is thought the Department may have received similar information from other states in Mexico; and it is inferred that instructions will soon be given consuls that they may properly advise interested Americans.

I have [etc.]

FREDERICK SIMPICH

File No. 812.512/1187

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, May 7, 1916, noon.

46. Department's 70, May 6, 6 p. m. Mining law effective May 1, practically same as that transmitted with mail despatch 25. Minor modifications only.

RODGERS

File No. 812.512/1188

The Secretary of State to Special Representative Rodgers

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, May 12, 1916, 4 p. m.

76. Continue your best efforts to obtain such reductions in per-tenencia and export taxes as will be of greatest possible benefit to American mining interests.

LANSING

File No. 812.63/168

Special Agent Silliman to the Secretary of State

[Telegram]

SALTILLO, May 18, 1916, 11 a. m.

New Governor of Zacatecas issued order recently giving all owners of mines 30 days to begin working them otherwise mining laborers will be permitted to work them for their own account. British Vice Consul here reporting to British Chargé d'Affaires on behalf of British interests involved; also taking up the matter direct with Governor of Zacatecas.

SILLIMAN

File No. 812.512/1197

The Secretary of State to Consul Simpich

No. 553

DEPARTMENT OF STATE,
Washington, May 19, 1916.

SIR: The Department has received your despatch No. 508 dated May 6, 1916, with regard to the *de facto* Government's demand for a second payment of taxes on mining property in Mexico.

If you shall be informed of any attempt by the local authorities to collect from an American citizen taxes which he has already paid to persons in *de facto* authority, you will promptly inform the Department of the facts of the case, whereupon the matter will be taken up with the *de facto* Government.

You will also take occasion, upon such a case coming to your attention, to advise the appropriate authorities that under the generally accepted principles of international law, American citizens owning property in Mexico are entitled to pay taxes thereon to persons in *de facto* authority, and that, having made such payment, they are released from further obligation with respect to such taxes.

I am [etc.]

For the Secretary of State:

WILBUR J. CARR

File No. 812.63/168

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, May 20, 1916, 4 p. m.

86. Silliman reports Governor Zacatecas decreed all mine owners must begin working within 30 days; otherwise laborers permitted work mines their own account.

Take up with appropriate authorities behalf American mine owners, pointing out impossibility their working mines under present disturbed conditions and absence transportation facilities. Endeavor obtain withdrawal decree.

POLK

File No. 812.63/171

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, May 23, 1916, 5 p. m.

84. In reply to Department's 86, May 20, 4 p. m. concerning decree Governor Zacatecas relative to working mines. Secretary of the Treasury yesterday telegraphed Governor to abandon all such action against mines.

RODGERS

File No. 812.63/173

Consul Simpich to the Secretary of State

[Telegram]

NOGALES, June 5, 1916, 5 p. m.

Decree number 56 dated May 18 signed by Calles given to press Saturday. Provides that all mining properties in state which continue idle more than 30 days from date of decree subject seizure and operation by State. Will mail copy.

SIMPICH

File No. 812.512/1222

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, June 7, 1916, 5 p. m.

130. Cabrera informed me today that on basis of representations concerning action various state governors against American mining properties in the matter of taxes or levies orders had been issued to prevent any collection taxes by state authorities and that State taxes hereafter will be added to federal export tax of ten per cent *ad valorem* for precious metals and five per cent for nonprecious metals, net result being same to property.

Also stated that General Carranza has issued stringent orders that no action on the part of state governments against mining properties shall be taken without consent federal authorities. Assured that special instructions to this effect previously were not sent governors concerning American properties reported affected by me.

Cabrera consented further to discuss general matter mining taxes with me. Will take advantage this in near future if opportune time presents.

RODGERS

File No. 812.63/173

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 7, 1916, 6 p. m.

125. Consul, Nogales, reports decree 56, dated May 18, signed by Calles, given to press Saturday, provides all mining properties in State continuing idle more than 30 days from date of decree subject seizure and operation by State.

Refer your No. 84, May 23, 5 p. m., and request immediate issuance similar orders this case.

LANSING

File No. 812.63/173

Mr. S. C. Neale to the Secretary of State

[Extract]

WASHINGTON, June 19, 1916.

SIR: Referring to my letter of June 2, last,² in which I brought to your attention, upon behalf of the Committee of American and Foreign Owners of Mines and Smelters, the deplorable situation in Mexico and the arbitrary and confiscatory manner in which the *de facto* Government was acting in respect to American investments in that country, I beg to submit to you certain facts in connection with the property of the Cubo Mining and Milling Company, of Guanajuato and the Mina Mexico Mining Company of Sonora, from which it is apparent that as to the Cubo Mining and Milling Company, of Guanajuato, there is a practical confiscation

² Not printed.

of the property of that Company, and there is threatened confiscation of the Mina Mexico Mining Company, of Sonora, both caused by the unwarrantable and illegal action of the officials of the *de facto* Government.

By the decree of General Calles, herewith enclosed and made a part of this letter, it will be noted that the operation of mining properties in the State of Sonora, whether owned by Mexicans or foreigners, must be commenced one month from the date of the decree, which was published in the *Boletín Oficial*, May 27.

While my clients have been unable to secure a copy of any decree which the Governor of Guanajuato may have issued, he is evidently on record as authorizing the denouncement and operation of mining properties that are not being operated, as shown by the following translation from the issue of *El Democrata*, of May 16, 1916:

The Chairman of the City Council at La Luz, Mr. E. Sanchez, authorized by General Jose Siurob, Governor of the State, has invited all residents of that rich ore district to denounce all those mining properties that are not in product because their owners have suspended working them or have abandoned them, in order that they be distributed in camps to be exploited by men willing to do so.

Also the representative of the authority has invited all merchants and farmers out of the district to return and contribute to the prosperity of the district.

As it is well known, the exploitation of mines in the way of camps results in the equitable distribution of the products and is of great advantage not only for the miners but for all working people.

It is safe to predict a brilliant future for Guanajuato if the people will follow the idea of General Siurob, made known to us through the Chairman of the City Council at La Luz.

I wish to impress upon you most earnestly and to call your special attention to the fact that these arbitrary acts of the Governors of Guanajuato and Sonora are not the acts of revolutionists or bandits, but officials of the Carranza Government and it must be presumed are acting in consonance with and deriving their authority from the *de facto* Government.

I respectfully ask that this important matter be brought to the attention of the Special Representative of the Department in Mexico, with instructions directing him to present, at once, the case to the *de facto* Government, insisting that the wrongs which I have indicated in this letter shall be promptly remedied and that no further effort shall be made by the *de facto* Government to interfere with the property rights of the Cubo Mining & Milling Company and the Mina Mexico Mining Company of Guanajuato and Sonora respectively.

I am [etc.]

S. C. NEALE

[Inclosure—Translation]

DECREE NO. 56

General Plutarco Elias Calles, Governor and Military Commander of the State, in use of the faculties with which I find myself vested through the First Chief of the Constitutionalist Army in power of the Executive of the Republic, and considering:

That the triumph of the Constitutionalist Revolution has been consummated, from a military standpoint, in all the National Territory, except for very reduced and insignificant exceptions, and (consummated) in an absolute manner in the State of Sonora which is controlled by the Revolutionary Gov-

ernment: that since the Federal Government through my Executive has extended to the mineral enterprises and industrials guarantees and necessary securities for the exploitation of their business, and to this end, by means of repeated official circulars, has exhorted the various enterprises, as quickly as possible, to commence the work of exploitation, in the manner and extent demanded by circumstances: that it is public knowledge that many of the enterprises remain as yet unexploited because, solely, of combinations financial and political among the owners who are not concerned in the moral side of their procedures: that in view of the situation, because it obstructs the State and the Nation, exploitation of the industries is of public and urgent necessity; and for this reason, it becomes necessary for the Executive to dictate radical remedy upon this affair, without in any manner opposing the principles of justice and equality: I have seen fit to (decree) the following:

Article 1. The exploitation of the mineral business and industries is of public utility in the State.

Article 2. There is given to the owners or companies of said enterprises, whether they be Nationals or foreigners, the period of one month, counting from the publication of this decree, to commence the work of operation of their properties or industries.

Article 3. If at the end of the period fixed by the previous article the said industrial enterprises have not been placed in a state of exploitation, with a force of at least one hundred workers as a minimum, the State shall have the right to take charge, temporarily, of the administration of those (properties) which it so judges, the necessary public declaration in the *Periodico Oficial* sufficing as notice. Those properties or industries which have not operated previously, or which have not employed previously one hundred workers in their labor, can employ a less number, with the approval first of the Executive.

Article 4. The same power of intervening will hold in the State in regard to properties or industries which are actually in exploitation at present, and which suspend their operations for more than eight days, without a justifiable motive or permission of the Governor.

Article 5. Upon the State taking charge of the administration of a property or industry, in accordance with the previous articles, the first political authority in the locality (of the property) accompanied by honorable citizens of the same locality, will carefully take in duplicate an inventory of the furniture and existing appurtenances of it (the property). One copy of said inventory will be sent to the Executive, and the other to the party interested if he solicits it.

Article 6. The products of the enterprises taken over in virtue of this law shall be subjected, first for the payment of the federal and local taxes which pertain to the property or industry; if no production is made, the taxes referred to shall be demanded from the owner of the enterprise, according to the respective laws.

Article 7. Upon the arrival of the time for returning to the respective owners the properties or enterprises intervened, the State will render an account for payment of its administration, making delivery within a period of fifteen days of the products obtained.

Article 8. If by reason of the actions of the owners or companies a property is returned to them by the State before exploitation has been commenced, but when already the State has made distributions in it (the property), they (the owners) shall reimburse the State for the amount of said distributions within a period of fifteen days following.

This decree will take effect from the day in which it is published.

Palace of the Governor of the State, Hermosillo, Sonora, May 18, 1916.

General P. ELIAS CALLES

LIC. ENRIQUE MORENO

Secretario de Estado

File No. 812.63/179

The Secretary of State to Mr. S. C. Neale

DEPARTMENT OF STATE,
Washington, June 26, 1916.

SIR: The Department acknowledges the receipt of your letter of June 19, 1916, relative to the issuance of certain arbitrary decrees

affecting the Cubo Mining and Milling Company, in Guanajuato, Mexico, and the Mina Mexico Mining Company, in Sonora, Mexico.

The decree of the Governor of Guanajuato, requiring the operation of mining property within a specified period, was the subject of a recent protest to the *de facto* Government of Mexico by the Department's representative near General Carranza. The *de facto* Government replied that orders had been issued to the Governor to withdraw this decree, and that similar orders would be given to other State Governors who might issue similar decrees. The decree of General Calles, to which you refer, was also the subject of a recent protest to the *de facto* Government, but no reply appears to have been received in regard to this matter.

The Department regrets to add that owing to the present condition of affairs in Mexico, it deems it useless to make the representations requested by you at this particular time.

I am [etc.]

For the Secretary of State:

ALVEY A. ADEE

File No. 812.512/1291

Special Representative Rodgers to the Secretary of State

[Telegram—Extract]

MEXICO CITY, July 15, 1916, 5 p. m.

222. Discussed mining taxes matter with Cabrera this morning. Secured extension time for payment taxes current tercio without penalty until September 1. Informed no action in relation to confiscation, fines or other penalties for nonpayment taxes last tercio had been ordered as desire is to investigate conditions as to operation mines and probabilities as to the surrender of mineral lands hinted at, a general question which will be considered by Department Fomento. Think no drastic action will be undertaken and any fine ordered will be small.

RODGERS

File No. 812.512/1293

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, July 20, 1916, 6 p. m.

224. Your 222, July 15, 5 p. m. International Commission, Douglas, Arizona, reports receipt telegram July 18 from Mexico City stating that Department Hacienda denies extension of time for payment taxes without penalty.

Investigate and report whether extension in force, and if so, ask that Department Hacienda be advised.

POLK

File No. 812.512/1303

Special Representative Rodgers to the Secretary of State

[Telegram—Extract]

MEXICO CITY, July 21, 1916, 4 p. m.

229. In reply to Department's 224, July 20, 6 p. m. Order extending time payment without penalty mining taxes current tercio

until September 1 to be issued today. Cabrera informed me that Treasury Department had decided that forfeiture would be declared against mining properties for which taxes tercio ending February 29 had not been paid but that Department willing to make compromise all worthy cases in favorable manner, forfeiture declaration being simply to comply with decree. Also decided that taxes last tercio could be paid without penalty until August 1 and during August until September with penalty 24 per cent.

RODGERS

File No. 812.512/1297¼

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, July 22, 1916, 2 p. m.

223. At request American mine owners, ask that appropriate officials in different mining sections be notified of action of Secretary of Treasury in granting extension until September 1 for payment of mining taxes without penalty.

State that unless such course be followed it is feared that complications may arise due to lack of knowledge on the part of local officials.

POLK

File No. 812.512/1325

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, August 12, 1916, 5 p. m.

287. Arizona Mexico Land Company, American corporation, owning mining properties State Sonora, advises that Chief Administrator Stamp Office, Nogales, refuses accept payment company's current taxes except upon repayment of taxes paid Maytorena, State Government, May 17, 1915, and threatens to sell mines because of nonpayment. Company states payment mentioned was made under compulsion of avoiding sale of property to only government or taxing power within State and Department's information corroborates statement as to then existing Government.

Bring to attention appropriate authorities recalling that, under generally accepted principles of law, property owners are entitled to pay taxes to persons in *de facto* authority, and request orders be immediately issued for acceptance current taxes without reference to past payments.

LANSING

File No. 812.512/1361

Special Representative Rodgers to the Secretary of State

No. 144

MEXICO CITY, August 16, 1916.

SIR: I have the honor to forward herewith a copy of a formal protest, presented to the Secretary of State for Foreign Affairs of the *de facto* Government of Mexico, in the matter of forfeitures of

any mining land leases for failure to pay the taxes corresponding to the *tercio* which ended February 29, 1916, such forfeiture having been announced in the decree of July 31, 1916.

Although assured privately by the Secretary of the Treasury of the *de facto* Government that there would be favorable consideration of all cases and compromises wherever possible, and knowing that the Government does not now feel itself in position to inaugurate any drastic action against delinquent holders of mining lands, I deemed it expedient to place a formal and friendly protest on record. A copy of this protest was also given to the Secretary of the Treasury, and it was received in good spirit.

On June 30, 1916, I filed a protest of a somewhat similar character in anticipation of the terms of the decree which was issued July 31, 1916.

Trusting that the Department will approve of this action on my part,

I have [etc.]

JAMES L. RODGERS

[Inclosure]

Special Representative Rodgers to the Secretary of State for Foreign Affairs

No. 208

MEXICO CITY, August 11, 1916.

SIR: I have the honor hereby to invite your attention to, and to record, a formal protest against any action on the part of the Department of the Treasury in the way of forfeiture of mining land leases, for failure to pay the taxes corresponding to the *tercio* ended February 29, 1916, such as would seem to be contemplated under the terms of the decree dated July 31, 1916, and issued by the Secretary of the Treasury.

In support of my contention, under instruction from my Government, I beg to represent to your excellency on behalf of the American interests involved, that by reason of disturbed conditions, lack of transportation, and other vital impediments, many of the holders of these mining leases, who have not paid their taxes, were absolutely unable to do so because of an absence of earning power, their mines having been entirely unproductive. Again, owing to causes without their control, many of these holders of mining leases have not even been able to visit their properties, or to secure adequate protection therefor. Furthermore, in view of the circumstances which have oppressed them, they have sought for such commensurate reduction in the rates of taxation as would justify them in retaining their properties until, under a restoration of normal conditions, they could proceed with the industry, and while, up to the present time, there has been no such reduction as would seem fitting, they still hope for it, believing that the authorities will treat the question in the broad-minded spirit which will recognize the justice of the cause, and at the same time operate for the ultimate benefit of all concerned.

I present this matter in a most friendly spirit, and in the hope that the authorities of the *de facto* Government of Mexico will proceed in that which can be considered an equitable manner, recognizing the rights of the Government as well as the adversities which have afflicted the mining interests in Mexico in recent times, and giving cordial consideration to the question of such future adjustment of mining taxation as will enable not only development, with its great benefits to the Government and labor in time to come, but also proper compromises with those who have suffered in the past through no fault of their own. With pleasure I state that it is my belief that this broad principle already has recognition and respect, despite the formal declarations of the decree which gives rise to this representation.

With assurances [etc.]

JAMES L. RODGERS

File No. 812.512/1831

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, August 19, 1916.

307. In view present prostrate condition mining industry in Mexico, and in view proposed mediation, request suspension payment mining taxes be extended 60 days from September 1, without fines or penalties. If concession granted, urge authorities to instruct collectors of taxes accordingly, by telegraph.

It has again been brought to the Department's attention that various State Governments in Mexico are bringing pressure to bear upon American mining companies to resume operations, regardless of whether or not transportation facilities are available and proper protection can be given; and that, in some cases, State Governments threaten to confiscate such properties as are not immediately operated.

Request that State Governments be given positive instructions not to exercise such pressure, and impress upon *de facto* Government that this Government will insist that American mining companies be given the right to defer operations, at least until adequate protection can be guaranteed. Telegraph result representations, and also report present status and prospects negotiations you have been conducting, in compliance with Department's mail instruction of June 7 and subsequent telegraphic instructions.

Following for your information. Department is advising American mining companies that, on account of varying conditions throughout Mexico, it must leave it to their judgment as to whether or not they should continue to pay mining taxes as fixed by decree of May 1, and Department would appreciate receiving your views as to this particular phase. Department is also informing said companies that it is hoped entire question of taxation in Mexico may be considered by the proposed board of mediation.

LANSING

File No. 812.512/1846

Special Representative Rodgers to the Secretary of State

[Telegrams]

MEXICO CITY, August 21, 1916, 7 p. m.

301. Department's 307, August 19, noon. Cabrera to-day promised instruction to State Governments to desist from action seeking to compel operation mines before protection and transportation can be guaranteed. As to matter extension time payment taxes last tercio without penalty promised consideration question.

As to general question mining taxes status about same as stated in my 229, July 21, 4 p. m.

RODGERS

File No. 812.512/1358

MEXICO CITY, *August 23, 1916, 5 p. m.*

308. After discussion mining taxes with Cabrera this morning believe mining companies which cannot prove absolute financial inability through various causes attributable directly to failure *de facto* Government to protect will be doing wisely to pay taxes last tercio before September 1 as extension time payment without penalty rather improbable for reason that Government wishes to test question at that period current tercio in anticipation remedial action. While payment taxes may seem adverse to future interests in the way revision, firmly believe it will operate in reverse for am assured can secure concessions later which (will affect) will establish good will as precedent thereto. Cabrera told me frankly that they needed money badly but that they desired to do justice and wanted time for investigation and experience for demonstration. Voluntarily said would be glad to work with me on future adjustment whole matter and was sure satisfactory agreement could be reached.

Think Department's advice to companies as stated in 307, August 19, noon, appropriate and that policy suggested herein expedient for most companies. Know that similar advice being given by many representatives mining interests here.

However, have made request for extension time payment without twenty-five per cent penalty but think have my answer already. Government fearful of mines closing and anxious for reopening idle mines but evident to me that Carranza opposes further concession just now.

RODGERS

File No. 812.512/1357

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, August 23, 1916, 7 p. m.

316. Mining companies must know by Saturday next whether extension will be granted to pay last tercio's taxes.

Renew your efforts to obtain extension and telegraph result not later than Friday night.

LANSING

File No. 812.512/1846

*The Secretary of State to Mr. S. C. Neale*DEPARTMENT OF STATE,
Washington, August 23, 1916.

SIR: In further reply to your letter of August 9, 1916,² relative to the payment of mining taxes in Mexico, the Department desires to inform you that it is in receipt of a telegram dated August 21, 7 p. m., from its special representative near General Carranza, stating that Mr. Luis Cabrera, the Mexican Minister of Finance, has promised to give consideration to the question of extending the time

² Not printed.

within which the last tercio's mining taxes may be paid. The Department's representative adds that Mr. Cabrera has also promised to instruct State Governments in Mexico not to force mining companies to resume operations before protection and proper transportation facilities can be guaranteed.

I am [etc.]

For the Secretary of State:

ALVEY A. ADEE

File No. 812.512/1363

Special Representative Rodgers to the Secretary of State

[Telegram—Extract]

MEXICO CITY, August 24 1916, 4 p. m.

314. Department's 316 August 23, 7 p. m. Cabrera informed me definitely this morning that there would be no extension time payment without penalty mining taxes for last tercio, this decision which he considered final being for reasons communicated to me yesterday and incorporated in my 208. Have no reason to believe there will be alteration this program at present.

Two months grace with penalty twenty-five per cent September and perhaps fifty per cent October will be granted according to present plan.

RODGERS

File No. 812 512/1361

The Secretary of State to Mr. Parker, representing American interests

No. 1972

DEPARTMENT OF STATE,
Washington, September 1, 1916.

SIR: The Department is in receipt of Mr. Rodger's despatch No. 144. of August 16, 1916, enclosing a copy of a formal protest which he addressed on August 11, 1916, to the Secretary of State for Foreign Affairs of the *de facto* Government of Mexico, against any action on the part of the Mexican Treasury Department in the way of forfeiture of mining land leases to American citizens, for failure to pay the taxes corresponding to the tercio ended February 29, 1916, such as would seem to be contemplated under the terms of the Decree of July 31, 1916, issued by the Secretary of the Mexican Treasury.

Mr. Rodger's action in the matter, as shown by his protest and as explained in his despatch, is approved by the Department.

I am [etc.]

For the Secretary of State:

JOHN E. OSBORNE

File No. 812.63/185

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, September 17, 1916, 11 a. m.

401. Carranza issued a decree, dated 14, declaring, first: all mine owners must work their mines under penalty of forfeiture if work is suspended more than two months continuously or three months

interruptedly during one year; second, mine owners who have reason to cease work must obtain permission from Department of Fomento which permission cannot be extended for more than three months unless the same causes for suspension continue to exist; third, Department of Fomento will fix the minimum number of laborers for each mine basing estimate on number of population; fourth, mine owners must employ as many workmen as they have employed or were employing at the time of suspension of work, but Department of Fomento may change this number if deemed necessary; fifth, once a property is declared forfeited by Department of Fomento this fact must be made known to Department of Hacienda immediately in order that the latter may determine if the concession in question be subjected to public denouncement or if the property shall continue to be exploited by the Government, in which case a person will be appointed to continue operation; sixth, this decree goes into effect immediately.

PARKER

File No. 812.512/1378

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, September 18, 1916, 6 p. m.

423. Department informed that recent Carranza decree requires repayment of taxes paid Villa in territory controlled by Villa faction. Matter brought Department's attention by American citizens interested in property in State of Nuevo Leon.

Investigate and forward copy of decree if issued.

LANSING

File No. 812.63/209

Mr. Parker, representing American interests, to the Secretary of State

No. 519

MEXICO CITY, September 19, 1916.

SIR: With reference to my telegram No. 401, dated September 17, '11 a. m., relative to the operation of mines in Mexico, I have the honor to transmit herewith triplicate copies, together with a translation, of the decree bearing on the matter.

I have [etc.]

CHARLES B. PARKER

[Inclosure—Translation]

Decree issued by General Carranza at Mexico City on September 14, 1916

Venustiano Carranza, First Chief of the Constitutionalist Army, in charge of the Executive Power of the Republic, in view of the faculties of which I am vested, and considering:

That it is a principle of public rights, generally admitted not only by the authors of treaties but also in the common and constant practice of the most advanced people, that the State should intervene exercising the appropriate functions of its institution, when it is made necessary by the solidary interests

of the individual, of the nation or of humanity, be it in order to obtain his conservation or protection, or be it for the procurement of its progressive development, giving therefore both objects the supreme criterion to legitimate and regulate the march of the Government;

That the intervention of the State (when the solidary interests of the associated are involved) must be in proportion to its importance, according to the nature of said interests and the special circumstances of time and place to the end that it may be opportune and appropriate, therefore it must extend still further than the individual or corporate activity may be capable in reaching certain desired ends, to the end that the State shall not intervene when the purely individual interests are involved and affect no general interests;

That in the mining laws of Mexico, previous to the one now in force and to the one preceding it, it was considered as of public utility in conformity with the principle before mentioned the operation of the mines, which were given precisely under that condition, which should be filled keeping a determined number of workmen in the small number of *pertenencias* which was ceded in each concession with a view that the work should not be suspended more than a certain time; said utility consisting that there should be exploited for the benefit of the Nation all the metallurgical veins hidden in the bosom of the earth and in the advantages which said exploitation would bring about to the public treasury taking it for granted as inconvenient for the development of the mining industry and for the same reasons for the industry of the country in general, that this branch of the national richness should rest entirely subject to the will of the concessionaries, who could paralyze it at their will in this case;

That the mining law in force reserving the ownership of the mines to the nation believed nevertheless in granting dominion to private persons and corporations that they should have it with the condition of the payment of a tax; leaving to the individual initiative of the concessionaries the operation of them, so that it was left to their own will their operation or indefinite paralyzation.

That this law, besides having favored only big speculations, has made impossible exploitation by workmen without capital and of concentrating all the important concerns in the hands of foreigners, who limit themselves to exchange negotiations rather than useful works, has brought the grave inconvenience of monopolizing great extensions of claims and metallic veins, which have been substracted from the public interests;

That besides these inconveniences the majority of mine concessionaries has been producing another one of grave transcendence in the circumstances through which the country is actually traversing as the result of the struggle which the Constitutionalist Government had to sustain, first against Huerta's usurpation and afterwards against the reaction which succeeded in dividing the triumphant army, which inconvenience consists in the paralyzation of the work of the mines, thus leaving the majority of the mining population without means of subsistence and depriving the Treasury of the resources produced ordinarily by said industry;

That the conduct of the majority of the mining concerns to which reference has been made is in the present case, graver still because it obeys the idea of increasing the obstacles that this Government has for the assurance of order and implantation of peace, because with this conduct they procure help to their enemies in the continuance of the anti-patriotic labor of seeking the help of foreign governments, exciting them to intervene in the affairs of the country, under the pretext of putting into safety interests of foreigners, interests which are not in danger, and that, furthermore, this Government has been and is still disposed to protect efficiently, extending all rational guarantees to be expected;

That in view of the foregoing it is necessary to put a remedy to the inconvenience indicated, taking to that effect such measures as the public interest claims, in view of the fact that a painful experience has shown in a clear manner that the individual action left at its own will in this matter, injures severely the solidary interests of the country.

In view of all the above said I have seen fit to decree as follows:

Article I. All mine concessionaries (mine owners) are obliged to work their mines under penalty of forfeiture if work is suspended for more than two months in succession or three months interruptedly during one year.

Article II. Mine owners who have just cause for the paralization of work, shall obtain permission from the Department of Fomento, which permission can only be granted if this cause is amply justified, and for a period which shall never exceed more than three months, unless the same causes for suspension exist making the exploitation impossible and in this case it may be extended for the time strictly necessary.

Article III. The Department of Fomento considering the statements of the owners, shall fix in each case, in the new concessions or those already made but not worked the minimum numbers of laborers which each mine owner shall employ in the work, taking into consideration the number of pertenencias.

Article IV. Mine owners who have had or may have their mines in exploitation shall occupy in their labors as many laborers as have been employed or were employed at the suspension of work, it being understood that the Department of Fomento may alter this number according to the necessities of the exploitation.

Article V. If a concession is declared forfeited by the Department of Fomento this Department shall immediately notify the Department of Hacienda for its decision as to whether the mine should be left at the disposition of the public for redenouncement or whether the property should continue to be exploited by the nation, in which case it shall appoint a person for its administration and the continuance of the corresponding operations.

Article VI. This decree goes into effect from the date of its publication.

CONSTITUTION AND REFORMS

Given in the City of Mexico, National Palace, on the 14th day of September, 1916.

V. CARRANZA

File No. 812.63/185

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, September 20, 1916, 3 p. m.

428. Your 401, September 17. Forward immediately translation decree mentioned. Take same action with reference to other decrees that may hereafter be issued, telegraphing brief summaries.

LANSING

File No. 812.512/1402

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, September 22, 1916, 2 p. m.

415. Department's 423, September 18, 6 p. m. Decree dated June 19, 1915, provides:

Taxes paid to pretended authorities before occupation by Constitutionalist forces are considered paid. Rear taxes should be paid within a month from occupation thereafter with penalties. If taxes should have been paid in advance they must be repaid.

Nevertheless I am making investigation for a more recent decree relating thereto.

PARKER

File No. 812.63/185

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, September 23, 1916, 6 p. m.

441. Your 401, September 17. American mining companies represent that they have operated at great loss for several years and that they were compelled to close mines by drastic tax and wage decrees, uncertain railway service, excessive freight charges, confiscation of supplies, high cost of materials, withdrawal from Mexico of American managers and technical staffs, and lack of adequate protection. Same reasons are advanced by companies against operating for the present, also fear of repetition of Santa Ysabel massacre, prevalence of typhus and other diseases epidemic throughout central and northern parts of Mexico; that mines cannot operate until smelters are constructed or until present smelters resume work; that even then work cannot be resumed without cheapest form of transportation, now lacking; that even in normal times such decree could not be complied with and would result in confiscation. They add that there are various other factors making general resumption of work impossible, and that hostile acts against investors are having a very injurious effect, and finally, that, so far as Americans are concerned, the American Government refuses to issue passports for their return.

You are instructed to bring the foregoing to the attention of the appropriate authorities and emphatically request annulment of the decree. You may state that the Government of the United States still declines on account of existing conditions to issue passports to Americans desiring to return to Mexico, but that such passports will be issued as soon as conditions in Mexico warrant such action. You will further state that under existing conditions the decree is confiscatory in its effects and that such a drastic measure is unnecessary, as mining men will be anxious to resume work as soon as conditions approaching normal have been restored.

LANSING

File No. 812.63/228

The Acting Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, October 11, 1916, 6 p. m.

478. If any American companies are unable to comply with the decree mentioned, it would appear advisable for them to file a statement with the appropriate Mexican authorities setting forth the reasons why resumption of work cannot be undertaken at this par-

ticular time. It is also suggested that they keep themselves fully informed of developments that may follow the filing of such statement.

POLK

File No. 812.63/237

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, October 12, 1916, 3 p. m.

479. American owners of Nueva Luz mine at Guanajuato assert they are unable resume operations at present account recent burning of mine's head frame and lack of supplies.

Inform appropriate authorities of foregoing and request that it be considered as sufficient reason why mine cannot resume work immediately.

LANSING

File No. 812.63/237

The Secretary of State to Mr. Donald C. Catlin

DEPARTMENT OF STATE,
Washington, October 14, 1916.

SIR: The Department acknowledges the receipt of your letter of October 10, 1916,² with which you enclose a copy of a telegram sent by Mr. H. Vincent Wallace to Mr. Ignacio Bonillas, one of the Mexican Commissioners at Atlantic City, New Jersey, stating that the owners of the Nueva Luz mine at Guanajuato, Mexico, are, at present, unable to resume work at the mine. You ask the Department to bring this fact to the attention of the *de facto* Government of Mexico in order to prevent drastic action being taken against your property.

In reply you are informed that on October 12, 1916, the Department sent a telegram to its representative at Mexico City, directing him to inform the appropriate Mexican authorities that on account of the recent burning of the head frame of the Nueva Luz mine, and because of the company's inability to obtain supplies, it is impossible to resume work at the mine immediately.

Inasmuch as your company appears to control other mining property in Mexico, the Department quotes, for your information, the substance of a letter which it has sent to various American mining companies during the past few days:

If you are unable to comply with the decree of the *de facto* Government of Mexico, requiring you to operate your mines in Mexico, it would appear advisable for you to file a statement with the appropriate Mexican authorities, setting forth the reasons why resumption of work cannot be undertaken at this particular time. Further, it is suggested that you keep yourself fully informed of the developments that may follow the filing of such a statement.

I am [etc.]

For the Secretary of State:

ALVEY A. ADER

² Not printed.

File No. 812.63/185

The Acting Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, October 20, 1916, 8 p. m.

504. Telegraph result representations you were instructed to make in Department's 441, September 23, and continue your efforts to obtain annulment decree.

POLK

File No. 812.512/1443

Mr. Parker, representing American interests, to the Secretary of State

No. 561

MEXICO CITY, October 20, 1916.

SIR: I have the honor to refer to my telegram No. 480 of October 12, 1916,² relative to the repayment of taxes paid to other authorities than the Constitutionalist and to transmit herewith a copy of the decree of June 19, 1915, and translations of the correspondence with the Department of Hacienda relating thereto.

I have [etc.]

CHARLES B. PARKER

[Inclosure—Translation]

Decree issued by General Carranza at Vera Cruz on June 19, 1915

Venustiano Carranza, First Chief of the Constitutionalist Army, in charge of the Executive Power of the Nation, in use of the faculties of which I am vested and considering:

That, notwithstanding the fact that taxes paid to the so-called authorities of the Convention and of Villa are void and null and that the Constitutionalist Government could proceed rightly to the repayment of the taxes which were not collected during the time inimical forces to our cause occupied certain cities, nevertheless, as a grace which can only emanate from a legitimate Government as this and in view of the destitute circumstances and of the economic crisis which we are undergoing, through the misbehavior of said inimical forces, I have seen fit to decree as follows:

I. Taxes paid previous to the date of the occupation of each city or village by the Constitutionalist forces are hereby considered paid.

II. The taxes in arrears upon the occupation of places by Constitutionalist authorities, must be paid during the period of one month beginning with the date of the occupation, and will be collected without penalties. If paid after this period penalties will be assessed in accordance with the law.

III. The Constitutionalist Government will never recognize any taxes paid in advance to the usurping authorities and made previous to the date of the occupation by the Constitutionalist forces, and, therefore, all taxes paid covering a period after the date of the occupation of places shall be collected again disregarding the fact whether paid to inimical authorities or not.

I therefore order its printing, publication and circulation and that it be duly complied with.

CONSTITUTION AND REFORMS

Issued in the Honorable Veracruz, under date of June 19, 1915.

V. CARRANZA

² Not printed.

File No. 812.63/247

The Secretary of State to Mr Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, November 10, 1916, 6 p. m.

541. Repeat representations concerning mining decree made in accordance with Department's 441, September 23, 6 p. m., and add following:

The apparent consequence of the mining decree of September 14 last would seem to be confiscation, in violation of the principles of international law and of laws emanating from the Mexican Constitution, and the failure of the *de facto* Government to respond to representations relative to this decree creates an unfortunate impression as to the purpose of its issuance. American property rights which have become vested under laws mentioned are entitled to protection under the Mexican Constitution, and the Government of the United States holds those rights to be inviolable and entitled to full protection of the *de facto* Government of Mexico.

In considering the subject matter of this decree and of the decree imposing greatly increased taxes upon owners of mining properties, it would appear that the *de facto* Government ought, on grounds of justice and equity, to give heed to its responsibility for the vast amount of damages which has already been caused to American-owned properties in Mexico, an obligation which an independent and enlightened nation cannot fail to perform without loss of the respect of other nations.

Therefore, the United States Government, in behalf of American interests, cannot permit the enforcement of the decree requiring mine owners to operate their mines continuously and to resume operations within 60 days, to pass without protest, on the ground that it is essentially illegal and confiscatory in character.

You will conclude by stating that the United States Government requests the courtesy of an early reply to these and its former representations on this subject.

LANSING

File No. 812.63/308a

*The Secretary of State to Consul General Hanna**

DEPARTMENT OF STATE,
Washington, November 14, 1916.

SIR: The Department gives you herewith, as follows, for your information and guidance, the substance of a letter which it has sent to various American owners of mines in Mexico, concerning a Mexican decree requiring them to resume the operation of their properties:

On September 23, 1916, the Department sent detailed telegraphic instructions to its representative at Mexico City, directing him to make appropriate representations to the *de facto* Government of Mexico, looking to the annulment of the decree. On November 10, he was instructed to repeat the representations mentioned, and again to protest in behalf of American interests against the enforcement of the decree, on the grounds of its illegality and confiscatory character. He was also directed to point out to the *de facto* Government that American property rights in Mexico are entitled to protection under the Mexi-

* Same, *mutatis mutandis*, to all border Consuls.

can Constitution, and that the Government of the United States holds those rights to be inviolable and entitled to full protection by the *de facto* Government of Mexico.

If you are unable to comply with the decree of the *de facto* Government of Mexico requiring you to operate your mines in Mexico, it would appear advisable for you to file a statement with the Department of Fomento, Mexico City, setting forth the reasons why resumption of work cannot be undertaken at this particular time. Further, it is suggested that you keep yourself fully informed of the developments that may follow the filing of such a statement.

The Department is sending similar instructions to all border consuls.

I am [etc.]

For the Secretary of State:

WILLIAM PHILLIPS

File No. 812.63/292

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,

Washington, November 18, 1916, 5 p. m.

560. American newspapers publish report that mining decree September 14 has been extended until January 14 next. Ascertain and telegraph whether report correct.

LANSING

File No. 812.63/300

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, November 21, 1916, 5 p. m.

575. Department's 560, November 18, 5 p. m. *El Demócrata* of 15th instant published circular of Fomento Department extending term until February 14th next for the operation of mines.

PARKER

File No. 812.512/1479

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,

Washington, December 5, 1916, 6 p. m.

574. Department is advised that a committee of American owners of mines and smelters in Mexico has reached an understanding with Mr. Cabrera as to future export taxes on bullion and ore. Mr. Cabrera has promised to incorporate the said understanding in a new decree, to go into effect January 1, provided General Carranza approves. The Department, therefore, sincerely hopes that General Carranza will promptly approve the understanding so that it may be substituted at once for the export taxes prescribed in the mining decree of May 1, last.

Department is also advised that the committee failed to reach an understanding with Mr. Cabrera as regards the pertenencia tax prescribed in decree of May 1, which tax has been the subject of numerous earnest protests from this Government. Although the mining men conferred with Mr. Cabrera for several hours, they were unable to obtain satisfactory assurances from him either as to the modification or the repeal of the present high pertenencia tax, which, they claim, if not modified or annulled, will result in the loss of their properties. The mining men have received the impression from Mr. Cabrera and others that the decree of May 1 is not intended as a revenue measure, but is intended to accomplish the confiscation of American and other foreign gold and silver mining claims exceeding fifty pertenencias in area and of holdings of two hundred or more pertenencias in area of mines other than gold or silver. This is a most unfortunate impression and should be promptly rectified.

Therefore the Government of the United States cannot too urgently recommend to the *de facto* Government that it remove the cause for said impression by adopting a tax which will result in unlimited development of mining operations in Mexico and lead to the future prosperity of the country. The mining men, after careful study, have concluded that a modified pertenencia tax is urgently needed, and that such tax, whether it be a graded or a flat tax, should not exceed the sum of ten pesos per pertenencia, and they positively assert that the industry cannot support a tax above that figure. They suggest therefore the following progressive tax: Gold and silver claims: six pesos per pertenencia on first one hundred pertenencias and nine pesos on holdings over one hundred, or six pesos on first fifty; eight pesos on fifty-one to one hundred, and ten pesos on holdings over one hundred pertenencias. Base metal claims: six pesos per pertenencia on first five hundred pertenencias, and nine pesos on holdings over five hundred, or six pesos on first two hundred; eight pesos on two hundred one to five hundred; and ten pesos on all holdings over five hundred pertenencias.

American mine owners assert most positively that a policy to split up mining property in small individual holdings is unsound, that it has no foundation in reason or justice, and that it cannot be considered a program for the betterment of the condition of the peon because of the nature of the mining business. These men further assert that a number of claims that constituted the reserves necessary for successful future operation and expansion have already been surrendered because of the unjust taxes. They add that the decree of May 1 will, unless it is promptly annulled or radically modified, destroy the mining industry in Mexico, since large concerns cannot operate without adequate reserves, principally because of the low grade of practically all ores in Mexico, which makes necessary large areas for successful operation, and they claim that it is manifest that all mining claims cannot be developed at the same time, as the very character of the ore veins requires their exploitation in progression. Finally, they state that the action of the *de facto* Government in levying exorbitant taxes against all proper-

ties regardless of whether they are operating or idle discourages a normal prosecution of the mining industry.

The Government of the United States recognizes the justice of the contentions enumerated and holds that the confiscation of properties in the manner indicated is absolutely unwarranted. Further, this Government confidently looks to the *de facto* Government to apply a prompt remedy. With this end in view, it is urgently requested that when the decree of May 1 is modified so as to put in force the understanding with Mr. Cabrera as to export taxes that the modified *pertenencia* tax hereinbefore mentioned as being the highest the industry in Mexico can sustain, be also incorporated in the same decree.

You are instructed to bring the foregoing to the personal attention of General Carranza and to impress upon him the importance of the matter and to request that he give the subject his early attention, adding that this Government will appreciate being promptly informed of the action he proposes to take in the premises.

LANSING

File No. 812.512/1493

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

QUERÉTARO, December 8, 1916, 6 p. m.

600. I asked Mr. Siller, Subsecretary for Foreign Affairs, to arrange an interview to the end that I might bring to the personal attention of General Carranza the subject matter of the Department's telegram 574, December 5, 1 p. m., as instructed in the last paragraph thereof and have just received a communication from the Chief Clerk, Mr. Garza Perez, stating that "the First Chief requests that you be pleased to treat through the medium of this Department (Foreign Office), the matter which you desire to bring to the knowledge of the First Chief to the end that it may be despatched with greater promptness".

Will the Department please instruct me in the premises.

PARKER

File No. 812.512/1493

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,

Washington, December 11, 1916, 6 p. m.

582. Your 600, December 8. Make representations through Foreign Office, and urgently request matter be brought to personal attention General Carranza, at earliest possible moment.

LANSING

PROTECTION OF AMERICAN OIL INTERESTS IN MEXICO¹

File No. 812.6363/218

Compañía Petrolera Maritima to the Secretary of State

PHILADELPHIA, January 7, 1916.

DISTINGUISHED SIR: As the secretary and representative of the Compañía Petrolera Maritima, S. A., I have the honor to submit herewith the complaint and protest of said company to your Department on account of the attempted cancellation, without just cause, by the Mexican Government of a certain contract of lease held and owned by said company, the members and stockholders of which are almost entirely American citizens.

Said complaint and the exhibits attached thereto make out a complete case and show conclusively that the attempted cancellation of the contract by the Secretary of Fomento of the Mexican Government of General Venustiano Carranza is without any legal or equitable foundation and is purely arbitrary act, and amounts to the repudiation of a legitimate obligation which was undertaken by the Constitutional Government of the Mexican Republic under and in pursuance of an act of its President, Francisco I. Madero, and by authority of a law long in force and which had been adopted by the Mexican Federal Congress on the 18th of December, of the year 1902.

You will understand, I am sure, that the business involved is a most honorable and legitimate enterprise; that the contract with the Mexican Government under which the investment was made was fair, open, public and in pursuance of the law of the country and was considered by the President of the Mexican Republic at the time as so advantageous a contract for the nation that he made special mention of the same in his annual message to the Mexican Congress in December, 1912, as one of the praiseworthy acts of his administration which would enable the Government to obtain substantial revenue from a class of federal lands or properties that the Government itself could not hope to develop and which required large capital to successfully exploit; and that the contract would result in inducing the investment of foreign capital for the purpose of establishing a precedent that would lead to a very large increase of revenues for the nation.

The American citizens who subscribed the capital to the company which was organized for the purpose of operating this contract and carrying on the work of oil development under its protection were very careful to investigate the origin of the contract and all matters surrounding it before making any investment whatever. They obtained the opinions of several of the ablest and most distinguished lawyers in the Mexican Republic, one of whom was a member of the Cabinet of President Madero, and all of whom were members of the Mexican Academy of Jurisprudence and were among the counsel of the most important American business enterprises in Mexico. The original of these opinions can be shown to you (and translations will be furnished) which show that all of these distin-

¹ Continued from For. Rel. 1915, p. 870.

guished lawyers pronounced the contract not only as in strict conformity with the Constitution of the Mexican Republic but in every way in conformity with and authorized by an important general law enacted by the Congress of the nation under date of December 18, 1902, entitled "A law relating to the real properties of the Federation", in which the real properties belonging to the Federation are classified, described, and the method of their administration, conservation, management, uses and sale are fully regulated in five chapters consisting of seventy-five articles.

The investment therefore was made in the best of faith. It was honorable and praiseworthy and from every consideration it is entitled to the protection of the Mexican Government and of our own Government which should not permit it to be arbitrarily and unjustifiably confiscated, which is the actual result that will follow the administrative cancellation of the contract if it shall be permitted, since this cancellation declares the forfeiture of the deposit, and the Government has already taken steps to seize all the property of the company, personal and real, including the oil well already drilled and the large investment which it represents. It has been the understanding and belief of Americans having investments in Mexico that assurances were given by General Carranza that all legitimate investments would be protected and that legal contracts and obligations of the Mexican Government would not be repudiated but would be recognized and faithfully performed. And also that the attitude of the United States Government in respect to all contracts which had been entered into by previous constitutional governments with American citizens, or with any persons from whom an American citizen has legitimately acquired them, was that they should be protected and recognized by the Mexican Government.

Doubtless the Honorable Secretary well understands that the most important branches of commerce and industry not only in Mexico but in every Latin-American State, such as mining, manufacturing, transportation, as well as public and quasi-public utilities of all kinds, in fact almost all business, except merchandising and agriculture, are conducted under, and depend for their rights and protection upon, contracts ordinarily termed "concessions," granted either by the Federal Government or by State Governments or by local authorities, in which contracts the parties who propose to carry on such business are specifically licensed to do so for a period of years, or indefinitely so long as the provisions of the contract are complied with, and that the manner and form of conducting the business is carefully regulated, and the privilege or license is either paid for or is conditioned upon the payment either of a lump sum or annual or monthly payments, sometimes in lieu of taxation and sometimes in addition to ordinary taxation; that these contracts are the only protection of the vested property rights and interests in Mexico and other Latin-American countries of American citizens who are conducting enterprises there, and that they protect hundreds of millions of dollars of American investments in all the republics and states of the Western Hemisphere. Therefore if our Government shall permit the Mexican Government arbitrarily to repudiate these contracts it will cast a cloud upon the title to all American investments not only in Mexico, but in Central and South America and will

be a dangerous precedent which will react to the detriment of Americans in all the Latin-American States and will be a great blow to commerce between the United States and those countries which our Government has shown and announced its great anxiety to promote and increase.

We understand that it is the policy of our Government to insist that the Mexican Government of General Carranza shall respect all these legitimate contracts; that it will take the attitude that these contracts made with previous Governments, such as that of General Madero or General Diaz, are legal and binding obligations upon the present *de facto* Government and must be fulfilled and protected and cannot be repudiated or cancelled unless it shall be proved to the satisfaction of the United States Government that any contract which it is proposed to cancel is illegal for being contrary to the Constitution of the Mexican Republic or for having been executed without authority of law, or that the said contracts have been forfeited according to their terms.

I earnestly request a careful consideration of the accompanying complaint and documents, confident that you will find the request contained therein to be just and entitled to the approval of your administration.

Sincerely [etc.]

J. A. VINCENT

[Inclosure 1]

Mr. Vincent to the Secretary of State

SIR: The undersigned, Joseph A. Vincent, has the honor to state that he is secretary and director of the *Compañia Petrolera Maritima*, S. A. (Maritime Oil Company), a corporation organized under the laws of the Republic of Mexico, whose stockholders are practically all citizens of the United States of America, and that he has charge of the business and affairs of said company in the United States under the direction and control of its board of directors, and that he files this complaint and protest in behalf of said company and its stockholders, American citizens, and states:

First: That under date of the 10th day of the month of June, 1912, the Minister of Promotion, Colonization and Industry (*Fomento, Colonizacion y industria*) in representation of the Constitutional President of the Mexican Republic, Señor Francisco I. Madero, and in pursuance of an Act of the Mexican Federal Congress, duly adopted and which went into effect on the 18th of December, 1902, celebrated a contract of lease with three individuals, Mexican citizens, namely, an engineer named José Cos, an engineer named Luis A. Brito and a lawyer named Francisco Robleda, by which contract the said three grantees or lessees, their successors or assigns, whether private individuals or companies or corporations, were granted the right of exploration and exploitation of the veins of petroleum and carbonaceous gases of hydrogen existing in the subsoil of the maritime zone and of the margins, banks and beds of the rivers, esteros and marshes under federal jurisdiction within four areas described in the contract, each with a radius of one hundred kilometers and having for a geographical center the towns of Panuco, Papantla and Minatitlan in the State of Vera Cruz and Soto La Marina in the State of Tamaulipas. This contract was promulgated in the official daily of the Republic in Volume 120, Number 42, under date of the 18th of June, 1912.

Second: The obligations of the lessees or concessionaires under this contract were, briefly, the following:

1. The lessees were to give notice to the Departments of War and Marine and of Communications and Public Works before commencing any operation with the end that the Chief of the corresponding port might be informed and permit the work to go forward when in the maritime zone, and to exact that traffic on the river might not be interrupted when work was conducted in the

beds of rivers, and that whatever expenses might be necessary in the judgment of the Department of Communications for protecting traffic and navigation from interruption should be borne by the lessees or grantees under this contract.

2. Whenever a fountain of petroleum or gas should be discovered, notice should be given immediately to the Department of Fomento, designating the location and the approximate quantity of the production.

3. That the grantees were to invest in exploration and exploitation under this contract within seven years from its date the sum of \$100,000 pesos, Mexican currency, at least, to be proved by due vouchers.

4. That the grantees would render an annual report to the Department of Fomento of the expenses of operation, general balance, statistics, production, etc., for the fiscal year closed.

5. To guarantee the fulfillment of the obligations the grantees gave a bond of \$5,000 pesos, secured by bonds of the National Debt.

6. The concessionaires were to pay monthly into the Treasury of the nation \$100 pesos as an inspection fund, as a minimum, to be increased to \$300 pesos as a maximum, when the Government might require it, after production begins.

7. That the lessees should pay into the Federal Treasury seven per cent and into the treasuries of the States in whose jurisdiction each well should be found three per cent of the net earnings and profits obtained in each fiscal year, whatever might be the quantity of petroleum or gas obtained.

8. That the work of exploration should commence in each one of the zones under the contract within eight months from the date of the publication of the contract and that exploration would be considered commenced by the installment of a derrick for the first well in each zone.

9. The obligations under the contract were suspended in case of accident or superior force which might impede the fulfillment of such obligations, and such time would be accredited the grantees or lessees if they were so impeded.

Under Article 13 the contract was subject to forfeiture for any of the following causes:

I. For not investing the sum of \$100,000 pesos within the period stipulated.

II. For not commencing the exploration within the period shown in Article 11, namely, eight months.

III. For suspending the work of exploitation or production (explotacion) for more than six consecutive months without duly justified cause.

IV. For not constructing the works for the protection of navigation, etc., as stipulated in Article 3 of this contract.

V. For alienating or mortgaging the contract to any private individual or National Company, without previous permission from the Department of Fomento.

VI. For transferring the contract to any foreign company or one not organized in Mexico in accordance with Mexican laws.

VII. For transferring this contract to any foreign State or Government.

VIII. For not making the payment of the inspection fees stipulated in Article 8 of this contract to the Government.

IX. If it is proved that the lessees are defrauding the Government out of its dues or the participation which must be paid for the exploitation and operation of the wells, (that is, the seven per cent to the Federal Government and three per cent to the State Governments.)

A translated copy of the concession is attached hereto, marked Exhibit A*.

It will be observed that this is nothing more nor less than a lease by the Federal Government of certain territories under its control, namely, the beds and banks of rivers and the maritime zone. For an understanding of the question it should be known that under Mexican law, as well as old Spanish law, the maritime zone constituted a strip twenty meters in width, measured from high tide along the shores of the sea and estuaries and on river banks upstream as far as the tide reaches. This zone is and always has been public property belonging to the nation, and it can not be alienated to private individuals. The Honorable Secretary undoubtedly knows of the maritime zone on account of the many Spanish possessions of our Government in which this law applies. The margins and banks of streams constitute a strip of ten meters above high water, which can not be alienated, and of course the beds of rivers, over which the rivers flow, belong to the nation.

* Not printed.

It is readily to be appreciated that this is territory in which it would be very difficult to carry on operations of exploration and exploitation of petroleum, since to sink wells in a river requires great expense in the construction of platforms above high water which can not be swept away by the current and an additional great expense in taking care of the oil which may be discovered so it shall not flood the river and cause damages to public and private interests, and great expense also in providing storage which must necessarily be obtained from private owners of property abutting on these streams. It is only recently that the State of Oklahoma has discovered the value of the river beds as oil territory to be exploited, although in the State of California it has been customary to sink wells even in the ocean along shores where the water is shallow.

Before the above-described contract was celebrated by the Mexican Government with Messrs. Robleda, Cos and Brito numerous small leases, or exclusive permits, had been granted to individuals in pursuance of the petroleum law of the 24th of December, 1901, of the Mexican Government authorizing the exploration and exploitation of petroleum in parts of the maritime zone and in the banks and margins of rivers, but not a single contract had been successfully operated because of the great expense and the difficulty of work of that character, requiring large capital and expert supervision. The rivers in the Tierra Caliente (Hot Lands) are subject to great variations of high and low water and of extension of the beds because of the difference of the rainfall in the rainy and dry seasons, and the drilling of oil wells in the beds, margins and banks of rivers so as not to interfere with navigation and not to flood the river with petroleum and so as to avoid polluting the water requires extraordinary works and expenses and extensive provision for storage capacity on adjoining lands of other persons or in barges, and it can only be done successfully by the expenditure of large capital.

The grantees of this contract were without funds to exploit the same and they organized a small company with a nominal capital of \$100,000 pesos, called the Mexican Oil Company, Incorporated, (Compañía Petrolera Mexicana, S. A.) whose capital was fully paid by the transfer of the contract which was valued at \$100,000 pesos. They then came to the United States to secure capital to operate and succeeded in interesting a number of Americans who were induced to organize a company denominated "Compañía Petrolera Marítima", S. A. (Maritime Oil Company, Incorporated,) under the laws of Mexico with a capital of \$1,000,000 United States currency, to which the contract was transferred in the month of August, 1913, with the due approval of the Minister of Fomento of the then *de facto* Government of the Republic and which, at that time, had absolute dominion and control of all the territory which was covered by this contract.

Suffice it to say that the contract has been complied with by the grantees religiously and in every respect. Exploration was begun within eight months in every zone covered by the contract and immediately as soon as this capital was obtained, work was started in sinking a well in a sandbar in the Panuco River near the town of Panuco in the State of Vera Cruz, in which work of exploration more than \$100,000 United States currency was spent. The well had been sunk to a depth of some 2,000 feet when the company, "Compañía Petrolera Marítima," S. A., (Maritime Oil Company, Incorporated), was ordered to suspend drilling by the authority of the *de facto* Government of General Carranza acting in pursuance of a decree issued by him which will be hereinafter mentioned.

When the Government of General Carranza took possession of the City of Mexico in August, 1914, the First Chief promulgated a decree on the 1st day of September¹ declaring that all administrative acts of the preceding Government of General Huerta should be treated as null and void dating from the origin of that Government, but at the same time provided that application might be made at any time within four months thereafter for revalidation of any administrative act of the Government of General Huerta which had been invalidated by the decree of General Carranza last above mentioned. Thereupon, the Compañía Petrolera Marítima, S. A., through its legal representative immediately applied for revalidation of the transfer of the concession which was made by the Compañía Petrolera Mexicana, S. A. to the said Compañía Petrolera Marítima, S. A. This petition for revalidation was pending in the Department of Fomento when General Carranza

¹ For. Rel. 1914, p. 723.

evacuated the City of Mexico in November, 1914, but the Department officials had constantly opposed ratifying the transfer that had been made, not for any just reason but because they maintained that the Department would not look with favor upon the contract, although its legality was not questioned, since it was a contract of the Constitutional Government of President Madero, but the pretense was made that the contract or lease covered too much ground and that the participation of the Government was not sufficiently large and that if the transfer of the concession was revalidated our company might then refuse to amend the contract as the Government desired, while if they refused to affirm the transfer they could use this as a club to compel the company to submit an amendment to the contract.

As to the participation, the ten per cent is the usual amount stipulated in leases of private lands as the lessor's portion of the petroleum production, except in the most thoroughly well proved territory, and this was a contract where the expense of operation was far greater than would be required in operating leases upon any private ground in the same territory. Nevertheless, the company never refused to modify or amend the contract in any reasonable way, but insisted that the first step was the confirmation of the transfer of the concession in order that the company's rights and its large expenditure already made should be protected.

The work of drilling the well was continued until some time in the month of January, 1915, when it was stopped, before the petroleum was discovered, by order of the Department of Fomento, as we have above stated, in pursuance of a decree of the First Chief, General Carranza, issued at Vera Cruz on the 7th day of January, 1915.⁴ This decree provided that it was necessary to revise in a complete and radical manner the petroleum legislation of the country so as to carefully regulate the exploration and exploitation of the deposits of petroleum. The decree recited that many companies had been making explorations without authority, and it was necessary to avoid the continuation of undue and unauthorized exploitation; therefore it was decreed in substance as follows:

Article I. From the date of this decree, and until new laws shall be enacted which will determine the juridical condition of petroleum, all works now being executed for the construction of pipe lines or the sinking of petroleum wells, and in general any other works related to exploitation of petroleum must be suspended.

Article II. That under no condition should these works be renewed without special provisional permits issued by legitimate authorities, first obtaining the express authorization of this Government.

Article III. The infraction of these provisions was to be punished and the works that might be executed would be destroyed.

Our representative immediately applied for permission on the part of our company to continue operations. This was refused on the ground that the transfer of the contract from the *Compañía Petrolera Mexicana, S. A.*, to our company, *Compañía Petrolera Maritima, S. A.*, had not been revalidated by the Carranza Government.

Thus our company was absolutely without power to continue its operations because the Government would not recognize it as the owner of the contract, and on that ground the Government would not grant it any permit, and, notwithstanding the fact that the company had applied for revalidation in due time while Carranza was still in occupation of Mexico City, no revalidation was granted. The company meantime having expended more than \$200,000 United States currency in drilling the well and in surveying and other explorations in good faith, and while the company was making every effort to obtain the revalidation of its rights under the contract and to obtain permit to continue its operations, it was refused and the Subsecretary of the Department of Fomento, in charge of the portfolio, Sr. Engineer Pastor Rouaix under date of the 7th of August of the year, 1915, issued a dictamen declaring that the contract was subject to forfeiture for failure of the *Compañía Petrolera Mexicana, S. A.*, that is, the Mexican Petroleum Company, Incorporated, to exploit the same for a period of six months, basing this forfeiture upon the provisions of Fraction III of Article 13 of the contract which provides that the contract will be forfeited "For suspending the works of exploitation (explotacion) for more than six consecutive months without cause, duly justified" and the same resolution conceded to the company the term of one month counted from the date of its publication to present its defense. This decree was addressed, as I stated, to the Mexican Petroleum Company, Incorporated, (*Compañía Petrolera Mexicana, S. A.*) which was no longer

⁴ See No. 1344, January 14, 1915, from Tampico. For. Rel. 1915, p. 872.

the owner of the contract, ignoring the legitimate rights of the Maritime Oil Company, Incorporated, (Compañía Petrolera Marítima, S. A.) which had acquired the contract and which had expended with the consent of the *de facto* Government more than \$200,000 United States currency in its development. I attach copy of this decree, marked Exhibit B.

The company through its legal representative immediately presented its defense, praying that the decree of forfeiture be rescinded as being absolutely unjust for the following reasons:

First: Because the contract had been transferred to the Compañía Petrolera Marítima, S. A. with due approval of the *de facto* Government which was then in control of the territory and that it wanted only the approval of the Government of General Carranza to such transfer, which approval should be given because the company was organized in all respects in accordance with the laws of Mexico, and had fully complied with the provisions of the contract and had ample capital to exploit the contract, to carry out all its requirements, and that it had faithfully complied with all the provisions of the contract.

Second: Because the company had actually operated under the contract on a large scale, having expended more than \$200,000 United States currency.

Third: Because the work of exploration carried on by the company had not been suspended voluntarily but in strict obedience to the decree of the First Chief, General Carranza, promulgated on the 7th day of January, 1915, which I have quoted above and which requires all work to be suspended; and the Government had declined since that time to grant a permit to Compañía Petrolera Marítima, S. A., to resume its work.

Fourth: Because the conditions of revolution and disorder which prevailed throughout the Republic led to the interruption of communications in all parts of the Republic and made it also practically impossible to carry on work without great risk and danger. Communication with the City of Mexico being entirely cut off, and that the First Chief in various decrees had recognized that this interruption of communications was sufficient excuse for failure on the part of companies and enterprises to comply with decrees, many of which had been repeatedly extended for that reason. Among the decrees extended for that reason is the decree of General Carranza of the 29th of January, 1915,⁵ and which was extended on the 20th of April and further extended on June 2, 1915, the grounds for such extension being recited in the decree as follows:

In view of the difficulty of communications that prevails in some regions of the country, I have considered it prudent to decree the following, etc.

and the decree concludes with the following words:

In the places withdrawn from the action of this Government, the extension of time, as well the principal period, will commence to run from the date in which these places may be reoccupied by the Constitutionalist Army.

Fifth: The fifth reason why cancellation of the contract could not be made for failure to exploit was that forfeiture could not be had under the terms of the contract, itself, for suspension of exploitation until after production of petroleum had commenced, and the company being only in the exploration period, it appears clearly from a perusal of the concession which distinguishes between exploration and exploitation in its every article. To illustrate, Article I says:

For the purpose of discovering and exploiting (explotar) fountains of petroleum, etc., Messrs. Robledo, et al. are authorized * * * to practice explorations (exploraciones) in the subsoil of the maritime zone, etc.

Article II says:

The concessionaires are also authorized to carry to a head the exploitations (explotaciones) of the fountains of petroleum, etc., within the zones which have been mentioned, etc.

and Article IV says:

The concessionaires bind themselves to give notice to the Department of Fomento of the discovery which might be made of every fountain of petroleum when the same may be in condition of exploitation (the term used being explotación) designating its location * * * with specifications of the approximate quantity which it may be susceptible of producing.

and Article V says:

The concessionaires bind themselves to invest in the "exploration" (exploraciones) and "exploitation" (explotaciones) spoken of in this contract and within seven years following its date, the sum of \$100,000 pesos, etc.

⁵ Incl. 1 No. 1355, Feb. 7, 1915, from Tampico. For. Rel. 1915, p. 878.

Thus, in the above you will notice a constant distinction between exploration and exploitation. Exploitation, in the contract, clearly signifies the production of oil after it has been discovered. Exploration means searching and boring for oil.

Now Article XIII says:

This contract will be forfeited for any one of the following causes.

naming nine; and the second and third are as follows:

II. For not commencing the work of exploration within the period shown in Article XI of this contract.

III For suspending the work of exploitation for more than six consecutive months without duly justified cause.

Thus it will be seen that even in the forfeiture clauses a distinction is clearly made between exploration and exploitation, the purpose of the Government being to protect itself after production begins against the company stopping the production. But there is no provision in the contract for forfeiture on account of suspension of the work of exploration. In other words, we have not yet reached the producing point and consequently have not suspended exploitation because we have not yet begun it.

Articles VIII and IX of the contract also recognize the distinction between exploration and exploitation.

Article VIII says:

The concessionaires will deliver to the Treasury of the Federation for expenses of inspection, beginning with the date in which exploitation begins, the sum of \$100 pesos, monthly, etc.

The company tendered to the Treasury of the Mexican Government this inspection fund in the year 1913 and it was refused on the ground that the contract did not require the payment of the inspection fund until the beginning of exploitation and that the company was not in that period, but merely in the exploration period. This was the interpretation put upon the contract by the Government, itself.

Article IX of the contract provides:

The concessionaires will pay into the Treasury of the Federation seven per cent and into the Treasury of the State in whose jurisdiction each fountain or vein of petroleum in exploitation may belong three per cent of the net revenues obtained in each fiscal year, regardless of the quantity of petroleum, etc., obtained.

Here again the contract carefully distinguishes in its use the difference between exploration and exploitation, and the word exploitation (explotacion) as used in Article XIII referring to suspension of work, can not possibly refer to suspension of exploration, and the contract is not subject to forfeiture until after production is begun, and then only for six months suspension of production without cause duly justified (sin causa debidamente justificada), and, of course, even if suspension of exploration had been a cause of forfeiture, such suspension under compulsion and by order of the Government can not be alleged by the Government as grounds of forfeiture, because it was involuntary on the part of the company. It will thus be seen that the company's defenses were complete and justifiable.

These defenses were filed within the period allowed by the decree, being filed in September, 1915, both in the name of Compañia Petrolera Maritima, S. A. and in the name of Compañia Petrolera Mexicana, S. A. Copies of these defenses praying for revalidation of the order of cancellation are hereto attached in translation, marked Exhibits C and D.

In the meantime, our representative visited General Carranza at Piedras Negras and was assured by him that no action whatever would be taken by the Department until he returned to Mexico City, and that the company would be treated justly and fairly and that its investments would be protected.

Notwithstanding this, we are informed that under date of the 31st of December a new resolution was issued by the Acting Minister of Fomento, confirming the nullification, but that the resolution was newly founded on Paragraphs II, III and V of Article 13 which state entirely new reasons: Paragraph II provides:

That the concession will be forfeited for not commencing the exploration within the period which is indicated in Article II of this contract. (That is, within eight months.)

and Paragraph V of Article 13 provides for forfeiture of the contract

For alienating or mortgaging the present contract or any of the concessions therein contained to a private party or national company without previous permit from the Department of Fomento.

This is undoubtedly basing forfeiture upon the fact that the concession was transferred by the Compañia Petrolera Mexicana, S. A., to the Compañia

Petrolera Maritima, S. A., without the consent of the Government of General Carranza, although said transfer was made long before said Government existed, and furthermore, said transfer was made in pursuance of the permit and approval granted by the *de facto* Government in existence at that time, being during the early days of the Government of General Huerta when that Government was in control of all of the oil country as well as the City of Mexico, and practically of all of the territory of the Republic excepting small portions of Coahuila, Chihuahua and Sonora, and when our company had no option whatever except to treat with said *de facto* Government. In other words, the Government is now taking the position that no permit could have been obtained to transfer the contract except by appealing to the authority of a Government which did not at that time control any of the departments of the Federal Government, and which was not recognized by the Government of the United States as being in control, either *de facto* or otherwise, of, or in, any part of the territory which was covered by the contract.

It does not need any argument to show that this ground of forfeiture is equally fictitious, because our Department of State has adhered to the ruling, which is indeed a well-known principle of international law, that Americans were justified in submitting to the demands and decrees of the *de facto* authorities in control of territory in Mexico in which their properties were located.

The original contract authorized the concessionaires to transfer it either to private individuals or Mexican companies organized in conformity to the laws of the Republic, provided always that the assignees bind themselves to comply with all and each one of the obligations which the contract imposes, and the only limitation on the perfect freedom to transfer the contract was that notice should be given to the Department of Fomento and the previous permission of the Department obtained to such transfer. This was for the purpose of protecting the Government against the contract being transferred to foreign Governments or to some persons or companies not able to fulfill the obligations. The approval of the transfer by the Department of Fomento was a purely administrative act, which could well be performed by any *de facto* authority and had nothing to do with the legality of the contract and created no rights whatever that the contract did not already contain, therefore it was an act that must, under international law, be held as entirely valid, being strictly in pursuance with the provisions of the contract, and should be revalidated by the present *de facto* Government, even if it desires to go through with the formality of rescinding the act and dictating a new approval. In other words, the company having complied with all the provisions of the contract, is entitled to the approval of the transfer, since it did all that in its power could be done at the time to obtain an approval, and did obtain it from the *de facto* Government and a Government to which it was necessary at the time to submit in order to carry on its operations.

I may state in passing that the Government of General Huerta was always unfriendly to our company and had placed every obstacle in its way and finally, just before the fall of the Huerta Government, it attempted to ignore the existence of the contract and to grant it to other persons who were its satellites and who attempted to blackmail our company to purchase their fictitious claims. Therefore, it can not be claimed in any sense that the Compañia Petrolera Maritima, S. A., is a creature of the Huerta Government or was favored by it. On the contrary, its contract and all of its rights originated with the Constitutional Government of President Madero and the contract was considered by his Government as so advantageous to the nation that President Madero in his message or address to the Federal Congress in December, 1912, made special mention of having granted this contract and eulogized it as a praiseworthy act of his administration.

It will thus be seen:

First: That this contract referred to was duly and legally executed by the Minister of Fomento, Rafael L. Hernandez in representation of Citizen Francisco I. Madero, Constitutional President of the Mexican Republic under date of the 10th day of June, 1912, by authority of and in conformity with a law enacted by the Congress of the Nation under date of the 18th of December, 1902, and it was therefore a binding contract of the Federal Government of Mexico;

Second: That it was acquired in good faith by the company represented by the undersigned, to wit, the Compañia Petrolera Maritima, S. A., and by the authority and with the permission of the said *de facto* Government of the Re-

public in control of all of the States of Vera Cruz and Tamaulipas in which the territory covered by this contract or lease is located;

Third: That the company in good faith and in perfect reliance upon the legality of the contract began the work of exploration and under it expended large sums of money and raised an ample capital by selling its stock to American citizens, the number of stockholders being about thirty-seven and located in various cities and states of the United States, who have invested their money in good faith, which is now threatened with absolute confiscation by the unwarranted and arbitrary acts of the *de facto* officials exercising the authority of the Executive of the Mexican Government in the Department of Fomento;

Fourth: That the grounds upon which the alleged forfeiture is based are wholly without justification and are fictitious and are in fact, created by the Government itself.

Fifth: That the suspension of work by the company was wholly involuntary and was compelled by the inspectors of the Government acting under the orders of the Government and in pursuance of a decree of the First Chief;

Sixth: That every effort of the company to obtain permission to renew its work has been in vain and that the Government refuses to permit renewal of the work and that this refusal of the Government to permit the renewal of the work is now made the basis of the forfeiture of the contract which the company has complied with to the letter and in spirit.

Seventh: That this large investment of American citizens will be confiscated and lost unless the Department of State, by its good offices, shall interfere and require the Mexican Government to comply with its contract and to permit the company to renew its work, which is the only manner in which its investment can be protected.

Therefore, the undersigned, acting in behalf of said company and of its stockholders, who are American citizens residing in some ten different states of this Union, respectfully prays for the exercise of the good offices of the Secretary of State in the protection and preservation of the rights and property of this company from loss and confiscation without justification, and further prays that the Secretary of State will address a communication to the Government of Mr. Carranza stating that it had been brought to the attention of the Department of State that an attempt has been made by officials of the Department of Fomento of the Mexican Government arbitrarily to cancel the contract entered into between Rafael L. Hernandez, Secretary of State, Fomento, Colonization and Industry in representation of the Executive of the Nation, Sr. Don Francisco I. Madero, on the one part, and Messrs. Robleda, Cos and Brito on the other part which was promulgated on the 18th of June, 1912, and which is now the legal and rightful property of Compañia Petrolera Maritima, S. A., which acquired the same by legal transfer under permission of the *de facto* Government then in control of the territory covered by said contract; that said company is owned and controlled by stockholders who are citizens of the United States; that the Government of the United States considers this contract a legal obligation of the Mexican Government which is not subject to arbitrary cancellation and that it will not consent to the cancellation of said contract until it shall be proved to the satisfaction of the Government of the United States that said contract was illegal and has been legally forfeited for non-fulfillment of the provisions thereof by the said company.

Furthermore, the transfer of the contract from the Compañia Petrolera Mexicana, S. A. to the Compañia Petrolera Maritima, S. A., with the permission and approval of the Department of Fomento exercising the *de facto* authority of the Government at the time should be revalidated and confirmed by Mr. Carranza because the approval of the transfer by the Department of Fomento was a purely administrative act which could well be performed by any *de facto* authority and which did not affect the legality of the contract and created no right in the company which the contract did not already contain, and was made in pursuance of and in conformity with the contract. Therefore it was an administrative act of the *de facto* Government which must, under international law, be held as entirely valid and could not be legally made the basis of grounds of forfeiture of the contract.

Since the foregoing statement was written the undersigned has the honor to state that he has received from the hands of the counsel of this company, Mr. D. J. Haff, of Kansas City, Missouri, authenticated copies of the following telegraphic correspondence between the said counsel, Mr. Haff, and His Excel-

lency, Señor Don Venustiana Carranza, First Chief of the Constitutionalist Army in charge of the Executive Power of the Mexican Republic, which I herewith copy and make a part of this communication:

[Translation]

KANSAS CITY, MISSOURI,
January 5, 1916.

To His Excellency, Sr. Don Venustiana Carranza, First Chief of the Constitutionalist Army, Querétaro, State of Querétaro, Republic of Mexico.

In the interview which Your Excellency with so much kindness granted to me on the 6th of November in Piedras Negras you delivered to me a letter for the Subsecretary of Fomento in regard to the matter of the contract of Compañía Petrolera Mexicana, already transferred to Compañía Petrolera Marítima, and recommended me to the consideration of the Department and that it should hear me and you told me that you would suspend all action and that nothing unfavorable would be done in the business by the Department until your arrival at the Capital to study and resolve the matter according to justice. Notwithstanding, I have just received notices promulgated of the cancellation of said contract by resolution of Fomento of the 31st of December. My principals have confided implicitly in the justice of Your Excellency and the guaranties of protection to legitimate interests and they pray revocation or suspension of the act until your arrival in the capital and defense can be presented to you, yourself, by the undersigned. I will thank you very much to do me the favor to answer me. I protest my consideration

D. J. HAFF

To this telegram the said counsel received the following answer:

[Translation]

MEXICAN GOVERNMENT, (Via Laredo Junction.)
QUERÉTARO, MEXICO,
January 6, 1916.

SR. LIC. D. J. HAFF, Kansas City, Mo.

Replying to your message dated yesterday, Compañía Petrolera Marítima, which you represent, can apply to the Department of Fomento soliciting a new contract in the matter to which you refer. I salute you.

(Signed) V. CARRANZA

The foregoing would indicate that the Chief of the Mexican Government intends to ratify the act of his subordinate in attempting to cancel the contract referred to.

Respectfully submitted.

J. A. VINCENT

[Inclosure 2—Exhibit B]

To the Compañía Petrolera Marítima:

DEPARTMENT OF STATE AND OF THE OFFICE OF FOMENTO, COLONIZATION AND INDUSTRY. DEPARTMENT OF PETROLEUM.

This Department under date of to-day has approved a decision which terminates with the following propositions.

First: With foundation on Fraction III of Article 13 of the contract celebrated in the City of Mexico by Sr. Lic. Rafael L. Hernandez, Secretary of State and of the Office of Fomento, Colonization and Industry, in representation of the Executive of the Union and Messrs. Lic. Francisco Robleda, Engineer José Cos and Luis Alfonso Brito, which was transferred to the Compañía Petrolera Mexicana the forfeiture of said contract is to be administratively declared.

Second: With foundation on Article 14 of the same contract, the Compañía Petrolera Mexicana will lose the deposit which it has made as a guaranty of its contract and the concessions and special franchises which are granted in the same.

Third: The term of one month is conceded to the said company before making the foregoing declarations, said term to be counted from the last publication of this resolution for three times in the official newspaper, *El Constitucionalista*, for the purpose of bringing the same to its knowledge that it may offer its defenses.

Let the same be published for three times in the official newspaper, *El Constitucionalista* in fulfillment of said resolution and with the end to which the same refers.

Constitution and Reforms, H. Veracruz, August 7, 1915.

The Subsecretary in charge of the office.

Engineer PASTOR ROUAIX

File No. 812 6363/219

Compañia Petrolera Maritima, S. A. to the Secretary of State

PHILADELPHIA, January 15, 1916.

MR. SECRETARY: Since the foregoing letter and the annexed complaint were written the following telegram has been received from the company's manager, Mr. McFarland at Mexico City, addressed to the counsel of this company.

Subsecretary Pastor Rouaix wrote Castelazo declining to answer our demurrer against cancellation of contract on new grounds without opportunity for defense provided in contract. Says incident is closed and that further letters futile. Castelazo says no outsiders can help. That all is up to you and for you to hurry to see Carranza.

This indicates the status of the matter before the Department at Mexico, and we have further information from the superintendent of the company, Mr. B. H. Buchanan, in Tampico, that the Government has just sent its deputies to the Islet of Buena Vista in the River Panuco and taken a complete inventory of the company's property at the same time stating that the Government proposed to take possession of it.

This gives rise to the urgent necessity of some action to protect the property of the company from seizure, and we earnestly pray that you will request of the Mexican Government that the company's property, including its tools, engines, boilers, houses, machinery, boats, barges, and the well in process of drilling at Buena Vista, and other property shall not be disturbed but shall be fully protected in the company's possession until the company has had opportunity as herein requested to make its defense and its rights shall have been fully and finally determined.

Such action in our behalf is imperative or it is evident the property of the company will be appropriated or destroyed and irreparable damage will result.

Yours respectfully,

J. A. VINCENT

File No. 812.6363/202a

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,

Washington, January 19, 1916, 4 p. m.

Department reliably informed *de facto* authorities contemplate issuing a decree providing for the nationalization of petroleum, which, if we are correctly informed, would affect most seriously the interests of numerous American citizens and other foreigners who have heretofore engaged in the business of producing and selling petroleum in Mexico. Point out to General Carranza in unequivocal terms the dangerous situation which might result from the issuance of any decree of a confiscatory character. Request that definitive action be

delayed until Department shall have had opportunity to examine proposed decree, and mail copy thereof to Department.

LANSING

File No. 812.6363/203

Special Agent Silliman to the Secretary of State

[Telegram]

QUERÉTARO, January 21, 1916, 6 p. m.

Department's January 19, 4 p. m. Information concerning nationalization of petroleum. The Secretary in charge of the Department informed me this afternoon the Government is not contemplating such a decree. On the contrary, he showed me a contract just signed with an American firm for the construction of about 60 kilometers of oil pipe line in the Tuxpam district.

SILLIMAN

File No. 812.6363/205a

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,
Washington, January 21, 1916, 5 p. m.

Department's attention called to recent action Department Fomento canceling summarily contract of concession granted by Madero Government to Robleda and other Mexican citizens in June, 1912, for exploring and exploiting oil and gases in river banks and beds in Vera Cruz and Tamaulipas. Contract was transferred to Compañía Petrolera Maritima in August, 1913, and transfer recognized by Huerta authorities who appear to have been functioning at that time in territory involved. Stock of present company is owned by American citizens who claim to have expended large sums in boring well and who insist that no grounds for forfeiture exist; that suspension work which occurred resulted from decree Carranza Government July, 1914, [January 7, 1915?] ordering suspension all works of exploiting oil pending determination status of petroleum legislation and that recent decree of Secretary of Fomento ratifying annulment of contract was based on new grounds on which company was not heard, including that of forfeiture because of transfer of contract without previous permission of Department of Fomento. The company contends that permission by Huerta officials for transfer of contract was purely administrative act, and since contract and rights thereunder emanated from Constitutional Government under Madero, the faculty of officials of the present *de facto* Government to arbitrarily cancel contract is lacking and that there should be a regular determination of forfeiture by competent tribunal before which interested parties have right of defense which is guaranteed by the Constitution and treaty rights.

You will request Carranza to take appropriate steps to suspend the decree of forfeiture and to protect property of company against seizure or interference.

LANSING

File No. 812.6363/204

The Secretary of State to Special Agent Silliman

[Telegram—Extract]

DEPARTMENT OF STATE.

Washington, January 22, 1916, 7 p. m.

Your January 21, 6 p. m. third.² Department officials have had personal knowledge that for more than a year such a measure was contemplated. Recent information, considered as authentic, together with attitude of authorities toward *Compañía Petrolera Maritima*, whose rights are now in jeopardy, have made matter one of urgency. Department wishes you to take up subject with General Carranza in person, and point out to him the dangerous situation which might result from the issuance of any decrees of a confiscatory nature.

Your January 21, 6 p. m. Ascertain nature of contract mentioned and inform Department specifically if contract directly or indirectly affects the oil rights of American citizens. Does the pipe line alluded to run from Mexican owned properties in which no American interest is involved?

LANSING

File No. 812.6363/205

Vice Consul Bevan to the Secretary of State

[Telegram]

TAMPICO, January 25, 1916, 3 p. m.

New oil decree issued by General Aguilar, January 15, to take effect on date of issuance, will have disastrous effect on Americans and foreigners owning oil lands and leases in Vera Cruz. Main points of decree are as follows: No contract of sale, lease, et cetera, shall be made without the previous consent of the State Government. The owners of lands in Vera Cruz shall not cede, transfer or alienate to third persons or to companies in return for stock or in any other manner lands or rights acquired by virtue of contracts nor the contracts themselves without previous consent of State Government. Lands object of clandestine contract as well as contracts in any manner hidden from the State Government shall be confiscated. All persons who take part directly or indirectly in the execution of contracts referred to in this decree shall be considered as Mexicans whatever their nationality and may not in any case allege the defense of foreign citizenship, nor ask protection or aid from foreign diplomatic or consular officers, nor from the Government of their country, nor have any rights other than the laws concede to Mexicans.

Forwarding copy of decree by mail.

BEVAN

File No. 812.6363/206

Special Agent Silliman to the Secretary of State

[Telegrams]

QUERÉTARO, January 25, 1916, 7 p. m.

Department's January 21, 5 p. m. *Compañía Petrolera Maritima*. Have had two interviews with Foreign Secretary on this matter and

² Not printed.

have gone over with him most carefully and fully the Department's message. The Secretary, speaking for General Carranza, limits himself for the present to the following reply:

The Government of Mexico is surprised that the Government of the United States should make the representation transmitted when only the interests of Mexican citizens appear concerned.

SILLIMAN

File No. 812.6363/207

QUERÉTARO, *January 26, 1916, noon.*

Department's January 22. Oil pipe line. General Carranza informed me personally the pipe line in question would not directly or indirectly affect the oil rights of American citizens; that it was intended to be a public carrier to transport oil to the coast for any individual or company that paid for the service.

SILLIMAN

File No. 812.6363/208

QUERÉTARO, *January 26, 1916, 4 p. m.*

Department's January 19, 4 p. m. and Department's January 22. Nationalization of petroleum. In accordance with Department's wishes subject was taken up personally with General Carranza. He informed me this morning: "The Government is not contemplating the issuance of a decree nationalizing the petroleum industry."

SILLIMAN

File No. 812.6363/211

Vice Consul Bevan to the Secretary of State

[Extract]

No. 1590

TAMPICO, *January 26, 1916.*

SIR: I have the honor to transmit herewith a copy of a new oil decree and its English translation issued by General Cándido Aguilar, the military governor of the State of Vera Cruz, on January 15, 1916, amplifying his decree of August 3, 1914, a copy of which was transmitted to the Department in despatch No. 1182 on August 14, 1914.*

Most of the oil lands in the State of Vera Cruz are now in the hands of foreigners. There are a great many oil men who have invested large sums in subsoil leases, with a view to transferring their leases to oil companies at a profit. Under this new decree it will now be impossible to transfer oil leases without first obtaining the authorization of the governor of the state. This authorization can be obtained only by making a trip to Jalapa, Vera Cruz, and then only after incurring expenses in proportion to the amount involved in the transaction. A representative of one of the

* For. Rel. 1914, p. 710.

large oil companies recently leased a piece of oil property from a Mexican citizen. Before the deal could be consummated the permission of the governor had to be obtained. A copy of the contract was submitted through the regular channels to the governor for examination and approval. The governor decided that the property was worth 100 per cent more than was offered by the company and refused to approve the contract.

I have [etc.]

THOMAS H. BEVAN

[Inclosure—Translation]

Decree of General Cándido Aguilar

(From *El Dictamen*, Veracruz, January 16, 1916.)

General Cándido Aguilar, Governor of the State of Veracruz, to the inhabitants thereof, know ye:

That using the faculties with which I am invested, and whereas; the reasons and motives of this Government in issuing the Decree No. 3 in Tuxpam, August 3, 1914, still subsist, by reason of which this said decree still responds to a social necessity and should be maintained in vigor, and

Whereas the fundamental principle that inspired said decree demands that it be made general in two ways: amplification so that it shall cover not only the contracts to which it refers, but also all those covering any land within the limits of the State, and also generalization to cover lands situated not only in the cantons stated in said decree, but within the area of the State.

Whereas to effectively give sanction to the fundamental disposition in the decree in question, it is necessary to establish not only the indirect penalties of confiscation and others fixed thereby, but also to create a civil sanction by virtue of which the lack of authorization which it decrees must be obtained for the execution of contracts referred to, may affect the existence of rights and obligations arising from such contracts for which it is necessary to give to the authorization referred to, the legal character of a formality extraneous to the contract but thus constituted an element thereof, necessary for its validity, in accordance with civil legislation, and

Whereas in the practice of the application of the decree above mentioned it becomes necessary to adopt regulations to clear up some of its precepts and to fix the administrative steps which must be followed to obtain the authorization prescribed by the decree, now, therefore, I have seen fit to decree the following:

Art. 1. No contract of sale, lease, mortgage, quit-rent or of any other character covering any land situated within the boundaries of the State of Veracruz or which affects directly or indirectly such lands, shall be made, unless the parties shall previously obtain the authorization of the State Government thereto.

Art. 2. The owners or possessors of lands situated within the limits of the State who have acquired rights of any sort whatsoever to such lands by virtue of any contract of the nature mentioned in the foregoing article shall not cede, transfer or alienate to third persons or to companies in return for stock or in any other manner, the lands or rights acquired by virtue of such contracts, nor the contracts themselves, without previously obtaining the authorization of the State Government thereto.

Art. 3. For all legal effects, it is declared that the authorization referred to in the two foregoing articles is a formality, extraneous to the contract in question, but necessary for its validity. Therefore the contracts lacking this formality are null, shall produce no legal effect of any sort whatsoever, give rise to no rights, obligations or rights of action whatsoever between the contracting parties nor to or against third parties, and cannot be inscribed in the Public Property Register.

Art. 4. To obtain the authorization referred to in Arts. 1 and 2 hereof, the contracting parties shall apply in writing to the State Government, where the

administrative file in the matter shall be made up with the following proceedings:

I. With the petition (*solicitud*) properly complying with the terms of the law, shall be presented the document that sufficiently proves the legal personality of the petitioner, a draft of the contract proposed to be entered into, with the stipulations and clauses that have met with the agreement of the parties, and maps of the lands in question.

II. When the State Government shall deem necessary it shall also demand the exhibition of the title deeds covering the land.

III. The State Government may direct that there be carried out on the land in question, direct inspection, examination and check of documents and other proceedings necessary to identify the reality, establish in a clear manner the rights the parties have therein through anterior deeds or by virtue of the contract itself, and in general to provide against doubts or differences in the interpretation and compliance with the contract.

IV. The State Government shall refuse its authorization if the contract shall appear unjust or prejudicial to any of the parties thereto, when the development to be carried on thereunder redounds exclusively to the benefit of the unnationalized companies to the prejudice of the Mexican citizens, when (the contract in question) tends to solidify the predominance of foreign capital constituting a menace to the integrity or the progress of the nation, or in other cases when the contract is against the true interests of the State.

V. The State Government shall aid, to suppress and modify the clauses of the proposed contract presented for authorization, in accordance with the provisions of the foregoing article, notifying the parties in writing. The parties may then appear again with such observation as they deem opportune and so continue until an agreement is reached.

VI. Authorization shall be granted on the understanding that, when the contract is executed, it shall be strictly in accord with the terms of the proposed contract presented and the modifications which have been deemed pertinent.

VII. When the contract shall be finally executed in public document or private deed, it shall begin with a literal repetition of the office of the State Government granting its authorization, without which requisite the contract shall fall within the prescriptions of Art. 3 of the decree.

Art. 5. Contracts executed up to now without the authorization referred to in this decree, and in which it does not appear that this lack is due to bad faith on the part of the parties thereto, shall fall within the prescriptions of Art. 3; but all such contracts may be revalidated with the approval of the State Government.

Art. 6. Such approval shall be granted in cases in which previous authorization would be granted, and by the proceedings mentioned in Art. 4 with the following modifications:

(1) A true copy of the executed contract shall accompany the petition.

(2) In order to introduce therein the modifications agreed upon, and to insert the office proving the authorization, the parties shall execute a complementary public or private deed, which shall form an integral part of the text of the original contract, which shall serve for all legal effects, it being understood that without the complementary contract, the original shall fall within the prescriptions of the 3d article hereof.

Art. 7. If bad faith shall appear in the execution of contracts made without the authorization provided for by this decree, such contracts shall fall within the prescriptions of Art. 3 hereof and the lands covered thereby shall be forthwith confiscated, but rights shall be reserved for those who may enjoy them, to proceed against those persons who may be responsible civilly or criminally.

Art. 8. Lands object of clandestine contracts shall also be confiscated, as shall lands object of contracts the execution of which has been in any manner hidden from the State Government.

Art. 9. Notaries who shall authorize deeds containing contracts covered by this decree without complying with the provisions of fraction VII of Art. 4 hereof, shall pay the damages caused and in case of insolvency, shall be suspended for two years.

Art. 10. The persons in charge of public registries who shall register contracts falling within the provision of this decree which shall not contain the office of authorization from the State Government shall be suspended for two years.

Art. 11. For the effects of the law it is hereby declared that all persons who take part directly or indirectly in the execution of contracts referred to in this decree, shall be considered to be Mexicans, whatever their nationality or origin, and may not in any case allege the defense of foreign citizenship nor ask protection or aid from foreign diplomatic or consular officers, nor from the Government of other countries, nor have any more rights than the laws of the country concede to Mexicans.

Art. 12. In the proper department of the State Government there shall be a registry book, in which shall be noted the authorizations or refusals thereof, granted under this decree, and in it the contracts whose authorization has been solicited shall be copied in full.

Art. 13. The authorizations or approvals referred to by this decree shall not incur any tax whatsoever, and shall be granted without cost to the parties.

Transitory Article: This decree shall have effect from the date of its publication.

Given in the City of Vera Cruz, January 15, 1916.

C. AGUILAR

MANUEL GARCIA JURADO,
The Secretary General of the Government

File No. 812.6363/209

Special Agent Silliman to the Secretary of State

[Telegram]

QUERÉTARO, January 27, 1916, 4 p. m.

Oil pipe line Tuxpam district. Further information is contained in following telegram received to-day from Secretary of Fomento, dated Mexico, the twenty-sixth:

The projected oil pipe line will be for the object of transporting oil for the public as a common carrier being subject to general rules to guarantee the interests of all producers whatever may be their nationality, said oil pipe line will begin at Tampasas Ozuluama but as the final chart has not been presented I cannot say over what lands the line will run. The person who is soliciting the concession is Frank L. Sample of New York, and the Mexican Government is not interested in it any way whatever. PASTOR ROUAIX

SILLIMAN

File No. 812.6363/205

The Secretary of State to Special Agent Silliman

[Telegram—Extract]

DEPARTMENT OF STATE,

Washington, February 1, 1916, 4 p. m.

Bevan telegraphs following: [Here follows telegram of January 25, 1916, 3 p. m. from Vice Consul Bevan.]

Ask General Carranza whether decree issued by his authority, and if so, whether it is intended to be temporary or permanent in its nature, and what are the reasons for issuance. Add that this Government reserves right, after further consideration, to protest against application decree to American citizens and in any event cannot regard as binding, so far as American citizens are concerned, provisions against seeking protection of Governments of interested nationals.

LANSING

File No. 812.6363/220

Special Agent Silliman to the Secretary of State

QUERÉTARO, February 2, 1916.

SIR: The Department's telegram of February 1, 4 p. m., quoting Bevan's summary of a decree issued by General Aguilar on February 15 and conveying the Department's instruction to me, was received this morning.

I have the honor to transmit herewith carbon of my representation in this case.

I have [etc.]

JOHN R. SILLIMAN

[Inclosure]*Special Agent Silliman to the Acting Secretary of Foreign Relations*

QUERÉTARO, February 2, 1916.

MY DEAR MR. SECRETARY: Referring to the decree issued by General Aguilar of the State of Vera Cruz on January 15, 1916, to take effect on date of issuance, I am instructed to ask General Carranza whether this decree was issued by his authority and if so, whether it is to be temporary or permanent in its nature. I am also instructed to inquire the reasons for the issuance of this decree. I am further instructed to add that the American Government reserves the right, after further consideration, to protest against the application of this decree to American citizens and to say that in any event, the provisions against seeking protection of their Governments by interested nationals, cannot be regarded as binding in so far as American citizens are concerned.

I have [etc.]

JOHN R. SILLIMAN

File No. 812.6363/211

The Secretary of State to Special Agent Silliman

[Telegram]DEPARTMENT OF STATE,
Washington, February 5, 1916, 4 p. m.

Reference Department's recent telegram oil decree Vera Cruz. Bevan reports confidentially decree operates to advantage Mexican Commission taking up oil leases for military leaders which utilizes information contained necessary application made by Americans to governor, and refused, to submit applications for same properties.

If no answer received your previous representations, renew them and request immediate answer.

LANSING

File No 812 6363/219

The Secretary of State to the Compañía Petrolera Maritima

DEPARTMENT OF STATE,
Washington, March 4, 1916.

SIR: The Department acknowledges the receipt of your letter of January 7, 1916, enclosing the complaint and protest of the Compañía Petrolera Maritima concerning the alleged attempted cancellation, without just cause by the Government of Mexico of a certain contract of lease, held and owned by the said company, nearly all the members and stockholders of which, you state, are American citizens. You state that the said complaint and exhibits attached thereto make out a complete case and show that the attempted cancellation is without legal or equitable foundation, and you make a detailed statement of the reasons for submitting the protest. Receipt is also acknowledged of the addendum, bearing date of January 15, 1916, to the letter above mentioned. In this addendum you quote a telegram received from the company's manager, Mr. McFarland, at Mexico City, to the counsel of the company, in which telegram it is stated that Subsecretary Pastor Rouaix wrote to Castelazo declining to answer the demurrer against cancellation of the contract on new grounds, without opportunity for defense provided in the contract.

In reply you are informed that on January 21, 1916, this Department sent telegraphic instructions to Mr. John R. Stilliman, its representative near General Carranza, to request General Carranza to take appropriate steps to suspend the decree of forfeiture and to protect the company's property against seizure or interference.

In reply to the telegraphic instructions of January 21, the Department's representative, on January 25, sent the following telegram:

Compañía Petrolera Maritima.

Have had two interviews with Foreign Secretary on this matter and have gone over with him most carefully and fully the Department's message. The Secretary, speaking for General Carranza, limits himself for the present to the following reply:

The Government of Mexico is surprised that the Government of the United States should make the representation transmitted when only the interests of Mexican citizens appear concerned.

In view of the statement contained in the last paragraph of Mr. Silliman's telegram, the Department suggests that you furnish it with a statement of the beneficial interests in the Compañía Petrolera Maritima which are vested in American citizens, and of the proportion which such interests bear to those in the property of nationals of other countries, and particularly of Mexican citizens.

I am [etc.]

For the Secretary of State:

ALVEY A. ADEE

File No. 812.6363/221

Compañía Petrolera Maritima, S. A. to the Secretary of State

PHILADELPHIA, March 8, 1916.

SIR: The letter of the Department of March 4, 1916, signed by Alvey A. Adeë, Second Assistant Secretary, acknowledging receipt

of my letter of January 7 and the addendum of January 15, together with the various exhibits attached, received.

The letter contains the telegram received from the Department's representative dated January 25, the last paragraph of which states:

The Government of Mexico is surprised that the Government of the United States should make the representation transmitted when only the interests of Mexican citizens appear concerned.

My communication of January 7 shows the status of the *Compañía Petrolera Maritima, S. A.*, as being without question the legal owner of the contract with the Mexican Government.

It is assumed from the last clause of the telegram referred to, that the Mexican Government or the officials who presume to represent that Government, are endeavoring to hide behind the pretention that the original concessionaires named in the contract are still legal owners, because the present Government of Mexico has refused to recognize the legality of the transfer to the *Compañía Petrolera Maritima, S. A.* In this connection I might state that the *Compañía Petrolera Maritima, S. A.* has in its possession and owns every share of stock of the *Compañía Petrolera Mexicana, S. A.*, which was the company of the original concessionaires.

Replying to your request for a statement of the beneficial interests in the *Compañía Petrolera Maritima* which are vested in American citizens, and of the proportion which such interests bear to those in the property of nationals of other countries, and particularly of Mexican citizens, I beg to advise you that the stockholders of the *Compañía Petrolera Maritima, S. A.* are comprised of only American citizens and Mexican citizens. The company has a stock capital of \$1,000,000, of this amount \$222,500 is owned by Mexican citizens and \$777,500 is owned by American citizens. The Mexican Government, as well as the officials who have been in charge of the contract in question, know very well that American citizens have supplied this company with all its finances and own large and substantial interests in the company.

The principal stockholders interested in this enterprise and the gentlemen who subscribed the capital for this company in the United States, and who have furnished all the moneys for the purpose of carrying on the business of the company (the Mexicans not having provided any cash) are among the most prominent, honorable and successful business men of this country. Some of them are also identified with large operations in Mexico and are thoroughly competent and able financially to not only develop the concession to its fullest extent, but to exploit it to the advantage of the Mexican Government. Should you desire a list of the stockholders I will be pleased to furnish you with the same.

With this additional information I presume it is your purpose to obtain from the Mexican Government proper consideration of the request made by the Secretary of State to General Carranza to take appropriate steps to suspend the decree of forfeiture and to protect the property of the company against seizure and interference, as per the telegraphic instructions sent January 21, 1916.

I will be pleased to give any further information required by the Department and will appreciate very much if the Depart-

ment will keep me advised as to further communications in regard to this matter.

Yours respectfully,

J. A. VINCENT

File No. 812 6363/221

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,
Washington, March 13, 1916, 8 p. m.

Your telegram January 25, 7 p. m. As stated Department's January 21, 5 p. m., stock *Compañía Petrolera Maritima* owned by American citizens. Statement of Foreign Secretary that interests Mexican citizens only concerned is inaccurate and his reply unsatisfactory. It is important that *de facto* Government state its views and position on questions presented by this case.

Renew representations in behalf company.

LANSING

File No. 812.6363/227

Consul Dawson to the Secretary of State

AMERICAN CONSULATE,
Tampico, March 16, 1916.

SIR: I have the honor to transmit herewith copy of the Spanish text, and an English translation, of what purports to be a decree issued by the First Chief, ordering the suspension of all drilling and exploitation of oil lands pending the issuance of the proposed new law on the subject by the Secretary of Fomento.

Up to this time there is no evidence that this decree, if issued, is being enforced; certainly no complaints have reached this office.

I have [etc.]

CLAUDE DAWSON

[Inclosure—Translation]

Copy of a telegram purporting to be decree issued by order of the First Chief of the Constitutionalist Army, in charge of the Executive Power of the Nation, sent from Guadalajara, February 28, 1916.

By permission of the office of the Secretary and for its due compliance, I transcribe to you the contents of the telegram that was addressed to this same Secretary's office by the Citizen First Chief of the Constitutionalist Army, in charge of the Executive Power of the Nation, telegram which is dated Guadalajara, the 28th day of the present month:

Attorney Roque Estrada, Secretary of Justice:

Your message dated yesterday. With the accord of this office of the First Chief all works of exploitations and drilling are suspended in oil lands, until the office of the Secretary of Fomento presents the project of the new law regarding the matter. You can order that no registries be made of deeds forming companies for the purchase of oil lands, even when they are formed by foreigners. I greet you affectionately.

The prohibition of the inserted telegram should be amplified to the leasing of lands celebrated with the same object of exploiting oil lands.

I protest to you, my consideration.

Constitution and Reforms.

MEXICO, February 28, 1916.

File No. 812.6363/227

The Secretary of State to Consul Dawson

No. 8

DEPARTMENT OF STATE,
Washington, March 29, 1916.

SIR: The Department acknowledges the receipt of your unnumbered despatch of March 16, 1916, enclosing copies of a decree said to have been issued by General Carranza, ordering the suspension of all drilling and exploitation of oil lands, pending the issuance of a proposed new law on this subject.

You are instructed to advise the Department promptly if any attempt is made to apply the provisions of this decree to American citizens.

I am [etc.]

For the Secretary of State:
WILBUR J. CARR

File No. 812.6363/230

Mr. Parker, representing American interests, to the Secretary of State

[Telegram—Extract]

MEXICO CITY, May 14, 1916, 9 p. m.

315. Preparations are being made to issue, probably latter part this week, decree revising taxes on petroleum production. Understand that general purport new tax arrangement will be to impose graduated impost upon petroleum according to its quality or gravity. Scheme proposed several months ago for nationalization all oil lands is still alive to extent that it remains under consideration by Government. Rouaix, Minister Fomento and Gomez head of petroleum division in the Department leave to-morrow for Tampico to study question of nationalization on ground.

PARKER

File No. 812.512/1218

Special Representative Rodgers to the Secretary of State

[Extract]

No. 57

MEXICO CITY, May 20, 1916.

SIR: I have the honor to state that for the last month I have been making inquiries into the matter of the prospective amendment of the taxation upon oil production in Mexico. I was advised some weeks ago by the Secretary of the Treasury, Mr. Luis Cabrera, that careful consideration was being given the subject but that no action would be taken until the mining tax question, and that of the issuance of the new money, were out of the way.

Having been advised previously that agents of the Treasury and the Department of Agriculture had gone to Tampico for the purpose of making further study of the general matter, and also being aware of the fact that the Government of the State of Vera Cruz is beginning to act in a way which would suggest some aggression to this very important interest. I, yesterday, reopened the oil taxa-

tion question with the Secretary and ascertained from him that the new system under contemplation is simply that of *ad valorem* taxation, the values to be determined only by current market quotations at home and abroad. Mr. Cabrera stated to me that there would, of course, be chemical analyses to aid in the determination of value, but that the general idea of the proposed system would be quality and value taxation rather than that based on quantity, as heretofore. Furthermore, the new process will assign to the Federal Government a much larger proportion of the general revenue derived from oil production than formerly, the intent being to acquire more Federal revenue and to establish the principle that oil production is a matter for National rather than State taxation. Generally, it was stated, the National Government proposed to assume over the oil fields a control in the matter of taxation on production similar to that which will obtain as to mining.

The Secretary asserted that the *ad valorem* taxation plan would not create a heavy additional burden on oil production, and would equalize taxation to the producers. The present revenue derived from oil taxation, in round numbers is about \$2,000,000.00 American gold per annum. It is thought that under the new system that will be increased to \$3,000,000.00.

I was assured that I would be given an opportunity to discuss the new taxation system with the Secretary of the Treasury and that he would be glad to consider any representations on the subject which I would present.

It is certain that there will be opposition to the plan from all national interests concerned, and that a vigorous effort will be made to limit the increased taxation. But the principal opposition will come from those who have been exploiting oil properties which have no production as yet, since, coupled with the new decree, will doubtless come requirements, both National and State, as to the more complete disclosure of all such operations and the registration of the properties. This will be essentially in the nature of a Mexican application of the so-called blue sky laws of some of the American States. From such observation as I have been able to make on this feature of the general question, it would appear to me that it is full time that there should be such restraint in Mexico.

I have [etc.]

JAMES L. RODGERS

File No. 812.512/1214

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 2, 1916, 5 p. m.

116. Newspapers report beginning June 1 all exploiters of petroleum deposits Mexico required pay bimonthly inspection fee three hundred dollars Mexican gold.

Telegraph whether report correct.

POLK

File No. 812.512/1217

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, June 3, 1916, 6 p. m.

114. In reply to Department's 116 June 5, [2] 5 p. m. Fee as stated prescribed; declared necessary for supervision in order to protect public. This action indicated in my mail despatch No. 57.

RODGERS

File No. 812.512/1241

Special Representative Rodgers to the Secretary of State

No. 85

MEXICO CITY, June 8, 1916.

SIR: I have the honor, in further acknowledgment of the Department's telegram No. 116, June 2, 5 p. m., and with reference to my telegram in reply, to forward herewith translation of the decree which provides for the payment of the sum of 300 pesos National gold every two months as an inspection fee in the matter of the exploitation of oil lands.

I have [etc.]

JAMES L. RODGERS

[Inclosure—Translation]

DIRECTION OF MINES AND PETROLEUM—PETROLEUM DEPARTMENT

Circular No. 13

In view of the fact that the petroleum industry is being developed by means of the formation of a large number of companies with capital sufficient to contribute in an equitable manner to defray public expenses, and considering that the services which are rendered to said companies by the Department of Petroleum, as well as the technical commission, and by the inspectors' offices established in the petroleum field occasion considerable expense to the National Treasury, this Secretariat, by decision of the Citizen First Chief of the Constitutionalist Army, in charge of the Executive Power, under to-day's date has ordered the following:

First. From the first day of June next, each one of the individuals or companies now registered in the Secretariat of Fomento and those which hereafter shall so register, submitting the corresponding manifestation in conformity with Circular No. 11, with the object of exploiting the petroleum industry in any of its branches, shall pay the sum of (\$300) three hundred pesos national gold every two months as inspection fee, whatever may be the amount of the capital stock manifested, such fee to be paid bimonthly in advance in the offices of the Secretariat of Hacienda.

Second. This Secretariat will not concede permits for the drilling of wells or for the execution of any class of work pertaining to the exploitation of the petroleum industry, to the companies or individuals who do not duly pay the corresponding inspection fee and not only from those having work under way, but also from such as have not yet commenced work, who do not pay the fee referred to, it shall be collected by the Secretariat of Hacienda under economic coactive authority, without prejudice to the suspension of work in process of execution being also ordered by this Secretariat.

Third. Companies which by virtue of previous contracts contribute a stipulated amount for inspection expenses, are excluded from the payment of this fee.

The foregoing is hereby given to the public and to the companies or individuals interested, for their due knowledge and observance.

Constitution and Reforms.

MEXICO, May 15, 1916.

PASTOR ROUAIX,

The Secretary in charge of the Office

File No. 812.6363/239

The Oil Fields of Mexico Company to the Secretary of State

PHILADELPHIA, June 26, 1916.

SIR: I beg to enclose herewith copy of Decree No. 24, dated Orizaba, Vera Cruz, May 6, 1916, and copy of an Aviso relating to the same decree, dated Orizaba, May 4, 1916; both emanating from the Governor of the State of Vera Cruz.

These copies have been forwarded to me by a friend in Tampico, and I am certain that they conform to the original decree, except, perhaps, in certain evident typographical errors. As soon as the original copies have been received, I will take pleasure in forwarding them to you for your files.

Meanwhile, in the name of the Oil Fields of Mexico Company, an American company, I protest against the application of this decree, and more especially to article sixteen (16) pages 7 and 8. No attempt, to my knowledge, has yet been made to put into effect, as against us, any portion of this decree, but as soon as such attempt is made, I shall take the liberty of advising you in full detail, and appeal for assistance in case our rights are threatened.

I am [etc.]

THE OIL FIELDS OF MEXICO COMPANY,
ARTHUR E. PAYNE, *General Manager*

[Inclosure 1—Translation]

DECREE NO. 24

I, Heriberto Jara, governor and military commander of the free and sovereign State of Veracruz Llave, hereby make known to the inhabitants thereof:

That, by virtue of the powers with which I am invested, and

Whereas the industries in the State of Veracruz have obviously been experiencing an extraordinary development in recent times, especially as regards the petroleum industry, though official action on the part of the government has failed to keep pace with this rapid growth, the result being an absolute lack of official data concerning the industries and a complete neglect of their administration, supervision, and encouragement; and

Whereas the present condition of affairs is unconducive to the progress of our industries and prevents the government from applying uniform and general measures which would afford a just and equitable solution of the problems relating thereto while at the same time forming the basis for a rational system of revenue measures to be subsequently adopted by the government when such measures, based on accurate knowledge and past experience, would not create disorder or adversely affect vested interests, and furthermore would enable the government to utilize this source of wealth, which is one of the most important and most highly developed and must inevitably be drawn upon by the government in meeting its expenses and needs; and

Whereas, particularly with respect to the petroleum industry, the organization of stock companies for the purpose of working the deposits of bituminous substances and hydrocarbons found in the subsoil of the state has been constantly increasing and has attained proportions which may be termed alarming, since not only do these companies fail to comply in all cases with the provisions of the code of commerce in regard to corporations, especially those of this nature, but grave defects exist with respect to the lands on which the companies claim they are going to begin operations; and

Whereas the stock companies organized in this manner not only violate the law in their organization (often in a manner warranting the imposition of real penalties), but offer the public opportunities to make investments of

capital which subsequently prove disadvantageous, encouraging unlawful speculation on the part of the organizers even to the grave detriment of public interests; and

Whereas at the present stage of legislation, although the laws relating to these subjects are federal in character it is the duty of the state government, for easily discernible reasons of common interests and patriotism, to look after the strict enforcement of these laws within its territory and as far as its sovereignty is concerned, and in order to accomplish this purpose and those contemplated in the preceding paragraphs there is nothing more in keeping with the sovereign rights of the state than to issue a permit or license to every company doing business within its territory, authorizing it to undertake and even continue the business, such measures affording a positive basis for official action and being dictated by the interests of the state itself, which ought to concern itself in interfering justly and appropriately in that which constitutes its economic life, of which these companies form one of the most important elements, especially when they are engaged in exploiting its national wealth and when the company, owing to the nature of its business and the close contact it has by virtue thereof with all the inhabitants of the state, is really performing a public service hitherto entirely neglected;

I have deemed it proper to decree as follows:

Article 1. Civil and mercantile corporations, companies, enterprises, and associations of any nature already established or in future to be established in the State of Veracruz shall enjoy the rights and be subject to the obligations granted to or imposed upon them by the laws which are applicable to them, by the present decree, and by such other provisions as the State of Veracruz may enact on the subject.

Article 2. Concessions granted by the Federal Government or the State, articles of incorporation, minutes of meetings, and other documents of any nature showing the creation or organization of civil or mercantile corporations or companies of any kind in accordance with the laws of the Republic shall not authorize such corporations or companies to operate and transact business within the boundaries of the State of Veracruz unless accompanied by a permit to be obtained for the purpose from the governor of the State.

Article 3. Permits granted under the foregoing article shall be effective only for a period of one year from the date on which issued and shall be renewable on January 1 of each calendar year, the application being presented to the Government at least one month prior to said date.

Article 4. The corporations, companies, and enterprises shall solicit the permit referred to in Art. 2 from the State Government in writing, embodying the following sworn data in their applications:

- I. Personal or firm name or title.
- II. Kind of business or operations in which engaged.
- III. Date on which they have begun or are to begin operations.
- IV. Domicile, stating the offices they have in the State, in the Republic, and abroad.
- V. Amount of capital stock, stating that which is fully paid up and that which is free because consisting of real estate or personal property or contributions in kind, the shares into which it is divided, the various series of these shares and the preference of certain thereof over others or the character of each series, new issues which may have been ordered, and all other information regarding the capital.
- VI. Nationality of the concern and laws under which it has been organized, stating date and purport of the instrument of organization.
- VII. Real estate or personal property owned or controlled by it, even though it is not using the property at the time, separately specifying the value of each piece of property situated within the boundaries of the State.
- VIII. Mortgage or other bonds which it may have issued, stating the total amount of the issue or issues and the bonds or series of bonds and denominations of each series, the mode of redeeming the principal and paying the interest, the rate of interest, the mortgages given as security for the bonds or any other kind of security that may have been given therefor, together with all additional data relating to the loan.
- IX. Names, nationalities, and residences of the members of the board of directors, managers, and other officials and employees who constitute the directing staff of the company.

X. Federal, State, and municipal taxes which they may be paying on any score.

XI. Such other data as the State Government may deem appropriate.

Article 5. The application referred to in the foregoing article shall be accompanied by a certified copy of the charter, articles of incorporation, minutes of meetings, or other document showing the organization of the company in accordance with the laws governing the subject, as well as by any subsequently executed documents which may amend the charter in any way, including extension of the life of the corporation, increases of capital stock, and other like documents. It shall not be necessary to exhibit these documents with the applications to be filed each year subsequently to the first application filed unless changes have occurred during the year with respect to some of the points referred to in this article.

Article 6. When there are several companies which are subsidiary to or branches of the main concern or which are connected therewith in any manner as regards their interests or business, the permit granted to the parent company shall not extend to the offshoots, the latter being obliged to obtain their own individual permits.

Article 7. Foreign companies shall furthermore demonstrate that they have complied in every respect with the provisions of Arts. 15, 24, and 265 a 2 of the code of commerce.

Article 8. Companies already organized or to be organized for the purpose of anywhere working the substances situated in the subsoil of the State shall likewise be obliged to prove:

I. The rights they have acquired to work such substances.

II. Certain or present (?) oil-bearing nature of the lands to which such rights are established according to Art. 10.

Article 9. In complying with the provisions of Sec. I of the foregoing article, the companies shall embody the following data in their applications in addition to those prescribed in Art. 4:

I. A detailed description of the lands they own or control for the purpose of working the petroleum therein, stating exact location and area of each tract.

II. Names of owners of lands which the companies hold under lease or other precarious title, as well as names of assignees or other persons now holding or having held rights to such lands under any title.

III. The value at which they estimate each tract, the amount of rent paid by the company itself or by the other lessees, sublessees, or assignees who may have rights to the lands, and all other data which may exist and throw light on the pecuniary evaluation of the lands.

Article 10. Other companies asked to do so by the State Government shall be obliged to comply with the provision of Sec. II, Art. 8, they being required in that event to inclose with their application not only the documents mentioned in Art. 5 but also a certificate from the petroleum department of the State Government or from an authorized geological or mining engineer in regard to the character of the companies' lands.

Article 11. The State Government shall refuse the permit referred to herein in the following cases:

I. When the company fails to comply with the provisions of Arts. 4, 5, 6, 7, 8, and 9 of this decree.

II. When the object of the company is to engage in business within the State and it has not its main office or a branch in some town thereof or a representative accredited to the State Government.

III. When it appears that the organization of the company does not comply in every respect with the provisions of the Mexican laws which govern or apply to it, and in any other case in which a violation of said laws is proved to exist.

IV. When it engages in speculations differing from those which constitute its object.

V. When there appears to be bad faith or a malicious design to cause confusion in the minds of the public in regard to the business of the company, its economic or financial circumstances, or its mode of transacting business.

VI. If it is a question of companies organized for the purpose of working the subsoil when their lands are such as are referred to in the decree of the Commander in Chief of the Constitutionalist Army acting as Chief Executive of the Nation, under date of Jan. 6, 1915.

Article 12. After the permit provided for in this decree has been granted, it may be revoked by the governor of the State in any of the cases mentioned in the several sections of the foregoing article.

Article 13. The proper department of the State Government shall keep a register in which shall be recorded the companies to which this decree relates, giving the data embodied in their respective applications.

The permit granted by the State Government shall be recorded in the appropriate public commercial register for each company.

The data in question shall be strictly confidential in character and shall not be revealed or communicated to third parties for any reason or under any pretext, unless they are asked for by the authorities in the discharge of their lawful duties.

Employees and officials who may have knowledge of said data by reason of their office and who reveal or publish them shall incur such official and criminal responsibility as may be determined by the laws.

In the official gazette of the State Government shall be published a list of the companies which have secured the permit prescribed in this decree, though the data relating to each company shall not be given.

Article 14. The permit to which this decree relates shall cost a fee of \$100.00, which the companies shall pay upon being registered by the State Government, the money going to the public treasury.

To associations created for charitable, educational, philanthropic, or other purposes than mercantile speculation, the fee shall be reduced to \$5. Each fee shall be payable by the companies or associations concerned upon annually renewing their permit.

Companies in whose behalf there is some exception embodied in the general laws applicable to them shall be exempted from payment of any fee.

Article 15. Without the permit prescribed in Art. 2 of this decree, the companies or enterprises which ought to obtain it shall not be permitted to operate or do business within the State of Veracruz or conclude contracts relating to persons or things situated in said State or subject to its jurisdiction and laws.

All contracts concluded by said companies and enterprises shall be null and void within the State if they lack the said permit, and they shall give rise to no rights, obligations, or claims which the authorities and courts of the State are bound to uphold and respect. This applies also to all acts of such companies and enterprises.

Article 16. The maintenance and operation of companies and enterprises within the State of Veracruz without the permit prescribed in this decree shall be subject to the following penalties, independently of the provisions of the foregoing article:

I. A fine of \$5 to \$500.

II. Imprisonment from one to thirty days of the manager or any official or employee of the company who may be found guilty.

III. Closing of the offices and establishments of the company for a period not to exceed 15 days in any case, with suspension of all operations for a like length of time.

IV. Confiscation of all or part of the property of the company situated in the State.

V. Expropriation of the property in question, with no further obligation than that of paying the proper indemnity, for which purpose the same value shall be taken as a basis as the company has stated to the State Government upon obtaining its permit.

None of these penalties shall be imposed without an express order from the governor of the State, who may hear the interested parties in court before enforcing the penalty imposed in each case.

TRANSITORY ARTICLES

Article 1. Applications for the first permit referred to in this decree shall be filed with the State Government within 30 days from the date of organization of the company.

In case of companies already formed, the period shall begin on the date of publication of this decree in the official gazette of the State Government. The first permit shall take effect from the date on which granted until December 31 of the current year.

Article 2. Until otherwise provided by the State Government, none of the permits mentioned in this decree shall be granted to any foreign company except those now existing, and the permits granted to those of the latter which are found to have acquired within the territory of the State real estate belonging to Mexicans in violation of the provisions in force on the subject shall be canceled.

Therefore I order the above printed, published, circulated, and duly enforced.

H. JARA

ORIZABA, May 6, 1916.

[Inclosure 2—Translation]

NOTICE. PETROLEUM DEPARTMENT. CONDITIONS TO BE FULFILLED BY APPLICATIONS FILED WITH THIS DEPARTMENT IN ORDER THAT ACTION ON THEM MAY BE ORDERED.

1. Application for confirmation of contract shall be presented duly stamped and signed by the applicant or his attorney or legal representative, stating his residence, and it shall relate to a single class of transaction, such as sale, lease, assignment, gift, organization of a company, etc.

2. The following documents shall accompany the application:

I. The power of attorney together with an ordinary copy when the application is not made by the contracting parties themselves.

II. The contract concerned together with a certified copy thereof and (in the proper case) the charter and by-laws of the company, always stating the nationality of the contracting parties.

III. A certified copy of the greater number of titles which record the rights being alienated.

IV. A plan or sketch on strong paper drawn to scale with a heliographic copy or a copy on tracing linen of the lands affected by the transactions. This plan or sketch shall contain the following main data: Location of the land, number of the lot, ranch, municipality, and canton to which it belongs, shape and area of the land, boundaries, scale of construction, and bearings, even approximate. These sketches shall be accepted only temporarily, subject to replacement by the final plans to fulfill the requirements laid down by the petroleum department.

V. An appraisalment made by a professional expert or one authorized to do so by the civil authority of the municipality.

3. In case the contract should be concluded among foreigners or the seller or lessor is a foreigner, the application should be accompanied by a declaration signed by all the parties to the contract to be confirmed, to the effect that they consent to be considered as Mexican citizens for the legal purposes of the contract and that they waive their alien rights whatever may be their original citizenship and will not in any case solicit protection or aid from foreign diplomatic or consular officers or Governments of other countries or assert any rights except such as are granted to Mexicans by the laws of the country.

4. In case of the organization of a petroleum company there shall be furthermore appended an authentic expert geological report adequate to afford an idea of the commercial magnitude and value of the oil lands worked by the company. This report shall contain the following technical and commercial data: Location and area of the land, means of communication, local topography and geology, petroleum deposits with proofs of likelihood of their existence in the subsoil of the land covered by the report, economic conditions of the locality, living and labor resources, water and fuel, approximate depth to be reached by the well, estimated cost of boring and of transporting the machinery and the oil to be produced by the wells to the nearest port or railroad station, average value which may ——— to a hectare of land in the tract covered by the report, and a summary or extract of the report.

5. A duplicate list showing the documents, plans, and other appendices which the applicant hands in with his application.

B

1. Applications for authorization of contracts, as well as accompanying documents, shall be the same as those indicated above for applications for confirmation, with the sole difference that instead of the contract or charter two

certified copies shall be presented of the draft of the contract which has been recorded and signed by the two contracting parties, or (in the proper case) two copies of the draft of the charter.

2. When it is a question of the organization of a company, a clause of the following tenor must be embodied in the charter:

All bearers of shares or certificates of this company shall, by virtue of the fact of being such and for all legal purposes, be considered as Mexican citizens whatever may be their original citizenship, and they shall not in any case be permitted to invoke rights as aliens, solicit protection or aid from foreign diplomatic or consular officers or from the Government of another country, or assert any other rights than those granted to Mexican citizens by the laws of the land. This clause shall be inserted in the by-laws of the company and in all its shares or certificates of shares.

General rules

1. No class of contracts shall be acted upon in this office or permits granted for their conclusion when the seller or assignee is a Mexican citizen or the buyer or assignee is a foreigner.

2. After each application and its accompanying documents have been examined and found to comply with all the above-mentioned conditions, the case shall be ordered taken up for action and given a due serial number. If the application and appendices fail to fulfill the aforesaid conditions, no action shall be taken on the case but it shall be returned to the interested party in order that the missing documents may be supplied or a new application filed.

3. Once a case has been assigned a number, it shall be acted upon in its strict numerical turn.

4. As soon as a case has received a number, the original documents accompanying the application shall be returned to the interested party, the duplicates thereof being retained in the files of the department.

5. The hours during which the public will be received in this department shall be 3.30 to 5 p. m. on working days, and only during these same hours will applications be received.

6. Applications and appended documents shall be delivered solely to the chief clerk of the department, all other official business being transacted by the public exclusively with the director of the department, for no private matter will be dealt with in this office.

7. All reports presented to this department must be written in Spanish, and in case it is necessary to employ some foreign technical term untranslatable into Spanish the meaning of the foreign technical term so employed shall be defined in Spanish.

Constitution and reforms. Orizaba, May 4, 1916.

File No. 812.5034/6

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, August 10, 1916, 11 a. m.

278. Order to notaries provides that information new corporations and particularly those for exploration exploitation oil lands charter shall contain clause providing that foreign stockholders renounce their national rights as to company affairs, this meaning they waive all right to protection interest through their national representatives. Informed that this has been tried before but failed and is not considered to have legal effect. Nevertheless it is undoubtedly dangerous and presumably contrary to treaty rights. Have filed general protest.

RODGERS

File No. 812.5034/6

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, August 16, 1916, 5 p. m.

295. Your 278, August 10, 11 a. m. Advise appropriate authorities that decree providing that new corporations shall contain clause of renunciation by foreign stockholders of their national rights as to company affairs cannot be regarded by the United States Government as annulling the relations existing between itself and its citizens who may own stock in such corporation or as extinguishing its obligation to protect them in case of denial of justice.

LANSING

File No. 812.5034/10

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, August 19, 1916, 4 p. m.

294. Department's 295, August 16, 5 p. m. Had already made such representation and furthermore have formally protested against decree August 15 providing that foreign applicants for corporate charters shall file renunciation national rights with Foreign Office and obtain certificate containing such declaration for presentation to Department Fomento or administrative agencies before authorization for formation companies or even individual procedure can be given.

RODGERS

File No. 812.5034/10

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE.
Washington, August 22, 1916, 6 p. m.

311. Your 294, August 19, 4 p. m. Make representations as instructed Department's 295, advising authorities that you are acting under specific instructions from this Government.

LANSING

File No. 812.6363/246

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, September 4, 1916, 5 p. m.

374. Department of Hacienda to-day publishes a decree dated September 2 requiring all oil companies producing crude oil in Mexico to register in the tax bureau of that Department before September 15 for companies already producing and within 15 days from the

date of first production for the companies which have not yet produced oil. This registration must be made by a person duly authorized to represent the company. Failure to comply may be punished by a fine of one thousand pesos Mexican gold.

Text and translation will be sent by first pouch.

PARKER

File No. 812.6363/247

Mr. Parker, representing American interests, to the Secretary of State

No. 506

MEXICO CITY, September 5, 1916.

SIR: With reference to my telegram No. 374 of September 4, 5 p. m., I have the honor to transmit herewith the text of the decrees of the Department of Hacienda, dated September 2, 1916, requiring the registration in that Department of all oil companies, together with a translation of the decree.

I have [etc.]

CHARLES B. PARKER

[Inclosure—Translation]

[From *El Democrata*, September 4, 1916]

By direction of the First Chief of the Constitutionalist Army, in charge of the Executive Power of the Nation, this Ministry has seen fit to dispose that all the oil companies existing in this country, which may have obtained or may obtain oil of national production, regardless of the quantity and whether or not to be used for interior consumption or for exportation, should go to the Department of Taxes of this Ministry to register; during the period which will end on the 15th instant for the companies already producing oil, and during a period of the first fifteen days after oil is found for all others finding oil in the future; it being understood that in order that this inscription be made it must be filed by a person duly authorized to attend to all necessary matters, in this city, with this Ministry; with the further understanding that otherwise they shall become liable to a fine not more than \$1,000.00 Pesos Mexican National Gold, as well as due compliance with this disposition.

I communicate the above to you for your information and effects.
Constitution and Reforms.

MEXICO, September 2, 1916.

R. NIETO,
The Subsecretary in charge

File No. 812.5034/24

Mr. Parker, representing American interests, to the Secretary of State

No. 530

MEXICO CITY, September 27, 1916.

SIR: I have the honor to acknowledge the receipt of the Department's telegraphic instruction No. 424 of September 18, 7 p. m., directing me to forward translations and official copies of certain decrees relative to orders to notaries in regard to incorporation, especially oil lands, and in regard to the renunciation of national rights in application for incorporation, and in compliance therewith to transmit triplicate copies of the official bulletins, *El Diario Oficial*, of June 17, August 25, and September 5, 1916, containing the decrees in question, together with the translations of same.

I have [etc.]

CHARLES B. PARKER

[Inclosure 1—Translation]

CIRCULAR NO. 36

Circular No. 19, transmitted by this Ministry, under date of February 17, 1916, to public notaries and register judges of the Federal District and Federal Territories, prohibits the authorization of contracts of purchase and sale of real estate wherein the seller is Mexican and the purchaser a foreigner.

In view of the fact that, for the purpose, of that disposition the declaration made before a notary public in the form of a clause in the contract that the foreigner hold himself as Mexican in all and for all the rights and obligations he assumes in his condition of proprietor of real estate in the Republic of Mexico, for the special case in question, is sufficient according to the case and the judgment of the Ministry of Justice, the First Chief of the Constitutionalist Army, in charge of the Executive Power of the Republic has seen fit to dispose:

1. In all matters relative to the transfer of real estate in which the seller is Mexican and the purchaser foreigner, the Ministry of Justice may give its conformity according to the case and always provided that the application contains the statement that the purchaser waives all his rights of nationality and holds himself as Mexican in all and for all the rights and obligations he assumes in his condition of tenant of real estate in the Republic.

2. A similar application to that set forth above should be sent to the Ministry of Justice, which shall have the faculty to decide the case when it relates to the acquisition of real estate by a foreigner and the seller also being a foreigner.

3. With relation to the formation of corporations for the purpose of exploitation or exploration of oil lands and similar cases, application for a permit shall be applied for before the Ministry of Justice for the corresponding registration, without in any way altering the dispositions emanating from the Department of Fomento, Colonization and Industry, in order that through it the office of the First Chief may give the resolution pertaining thereto.

I bring the foregoing for your knowledge and effects.—Constitution and Reforms.—Mexico, June 17, 1916.—The Secretary of State and of the Office of Justice.

ROQUE ESTRADA

[Inclosure 2—Translation]

CIRCULAR NO. 38

The First Chief of the Constitutionalist Army, in charge of the Executive Power of the Republic, has provided that paragraph third of the circular No. 35 of this Department, dated June 17th last, be increased in the sense that, in order to be admitted and passed upon, the petitions for the formation and registration of corporations in general and those whose object is the exploration and exploitation of oil lands in particular shall contain the following requisites: that in a clause of the charter of the company, it be stated that the foreign stockholders renounce their nationality for all the effects of the company; and that the certificates of stock mentioned in article 178 of the Commercial Code, contain an expression to the effect that whoever acquires the same necessarily implies the waiver of nationality of the foreign purchaser, as owner of the said certificate.

The foregoing is made known to you for its compliance.

CONSTITUTION AND REFORMS

MEXICO, July 27, 1916.

R. ESTRADA,
The Secretary of State and of the Office of Justice

[Inclosure 3—Translation]

No. 81. The First Chief of the Constitutionalist Army in charge of the Executive Power, considering that as a consequence of our fundamental laws whereby foreigners must enjoy in Mexico the same privileges as the Mexicans, it is natural and legitimate that they should have the same obligations, with a view that the liberality of our democratic institutions should not be understood nor carried to the extreme that foreigners, as owners of property in

Mexico, be in better juridical conditions than Mexicans, as it has unfortunately happened and which would occur if they, besides the enjoyment of the rights, actions and resources offered by the Mexican laws in regard to property and its juridical relations, could formulate claims before their respective Governments; the same First Magistrate of the Republic, in view of the extraordinary faculties in him vested, has seen fit to direct the establishment of the following dispositions, obligatory in all the Republic.

1. Foreigners pretending to acquire real estate or national lands, mining claims, waters of federal jurisdiction, or permit for the exploration or exploitation of the natural riches, as forestal products, oil, fisheries, etc., in the Republic of Mexico, shall present beforehand in writing, before the Ministry for Foreign Affairs, a formal express declaration that in their capacity as proprietors or concessionaries and for all the effects and relations of the property which they desire to acquire, they consider themselves Mexicans, waiving their rights as foreigners and privileges of appeal for protection or claim to their respective Governments.

Foreign corporations cannot acquire rights on any of the properties specified in this circular, unless they nationalize and submit to the Mexican laws making the aforementioned declaration.

2. It is an indispensable requirement for the Ministry of Fomento, Colonization and Industry in order to admit any denouncement or application made by a foreigner or any of the matters referred to in the previous article, even for a simple permit for exploration, that he should present to it with the first communication a certificate issued by the Ministry for Foreign Affairs, bearing the declaration mentioned in the previous disposition. Without this requirement the application must be refused emphatically and all proceedings made before the presentation of this certificate will be null and void. There shall appear in all property titles as well as in the permits on the properties aforementioned, which should be granted by the Ministry of Fomento to foreigners, as well as in the contracts or deeds authorized by public notaries, the full text of the certificate prescribed in the first disposition, besides the reproduction of the text thereof as a special clause. Failure to insert the certificate or that clause will cause the annulment of the title, permit, contract or respective deed.

3. In all matters already moved by foreigners which may be before the Ministry of Fomento or its administrative agencies with relation to any of the properties referred to in this disposition, the proceedings will be suspended and shall not be renewed until the presentation by the interested parties of the certificate in question. If within the period of four months beginning from the date of these dispositions the certificate is not presented by the interested parties they shall be regarded as desisting from their purpose and their applications will be filed, the interested parties not having a right of appeal against this resolution.

The present dispositions are obligatory in all the Republic of Mexico and shall be published in *El Diario Oficial* for its knowledge and due compliance and shall be in force on the day of its issuance.

CONSTITUTION AND REFORMS

MEXICO, August 15, 1916.

PASTOR ROUAIX,

*The Subsecretary in charge of the office of the Ministry of Fomento,
Colonization and Industry*

File No. 812.6363/251

Mr. Parker, representing American interests, to the Secretary of State

[Telegram]

MEXICO CITY, November 4, 1916, 3 p. m.

545. To-day's press publishes statement of Fomento Department as follows:

All permits, laws, decrees, leases, on oil lands issued, granted or authorized, by State Governments for the exploration, exploitation and trading of minerals.

coals, bitumenoil and all other hydrocarbons of hydrogen, regardless of its state, are declared null and void and are of the competence of the general Federal Government. This applies presumably to all acts issued since the establishment of the *de facto* Government.

PARKER

File No. 812.6363/251

The Acting Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, November 7, 1916, 7 p. m.

536. Your 545, November 4, 3 p. m. Request appropriate authorities to furnish you, for transmission to Department, official copy decree, and to inform you as to scope and effect.

OSBORNE

**SEIZURE AND CONFISCATION OF AMERICAN PROPERTIES AND
FORCED LOANS IMPOSED ON AMERICAN CITIZENS¹**

File No. 812.00/17107

Consular Agent Williams to the Secretary of State

[Telegram—Extract]

AMERICAN CONSULAR AGENCY,
Torreon, January 15, 1916, midnight.

Local authorities to-day began active expropriation of all cotton stored here regardless of ownership in accordance with a decree of the First Chief, dated November 7, 1915, in effect. It says:

Where satisfactory arrangements cannot be made with the owner for the purchase by the Government of any or all cotton in the Laguna district the same will be expropriated in accordance with law of September 3, 1893, fixing such price as may be deemed just by the Secretary of Treasury. Military judges in the absence where necessary judgment of expropriation. Contracts sale or agreements made after this decree has been published will be null and void.

Price has been fixed at 1.60 paper currency pound which is to-day approximately 7½ cents American currency. German Consul and French Consul have protested. Spaniards have protested to me, but without definite instructions do not desire to act. Locally conditions are growing worse and general dissatisfaction with the *de facto* Government freely expressed by all classes.

WILLIAMS

File No. 312.115/238

The Spanish Ambassador to the Secretary of State

SPANISH EMBASSY,
Washington, January 21, 1916.

SIR: The Spanish Chargé d'Affaires in Mexico, Sr. Cárdenas, telegraphs me under date of yesterday, that he is endeavoring to obtain from the Government of General Carranza the repeal of a

¹ For previous correspondence see For. Rel. 1915, Forced loans imposed on American citizens, p. 933.

decree which is causing great prejudice to the Spanish cotton growers and to the cotton textile industry in Mexico.

This decree obliges owner of cotton to sell their produce to a commission appointed by the Government, and at a price fixed by the commission, and Sr. Cárdenas is trying to obtain from the authorities in the capital, if not a repeal of the decree in question, at least that the contracts made by the cotton growers previously to the publication of the decree may be respected.

I should consider it a great favor if you could instruct the American representative at the capital to give Sr. Cárdenas his assistance in the protection of these interests.

Believe me [etc.]

JUAN RIAÑO

File No. 812.00/17166

Consular Agent Williams to the Secretary of State

[Telegram—Extract]

AMERICAN CONSULAR AGENCY,
Torreón, January 27, 1916.

Since my telegram January 15, midnight, expropriation foreign-owned cotton stopped, due to representations made by representatives German Government and French Government.

WILLIAMS

File No. 312.115/238

The Secretary of State to the Spanish Ambassador

DEPARTMENT OF STATE,
Washington, February 1, 1916.

SIR: I beg to acknowledge the receipt of your note of January 21, 1916, in regard to a decree which was recently issued by the *de facto* Government of Mexico, requiring cotton growers in Mexico to sell their products to a commission appointed by the *de facto* Government. You say that this decree is causing great hardship to the Spanish cotton growers, and you ask me to instruct the Department's representative at Mexico City to make representations in the matter.

As it is presumed that you have in mind the cotton growers in the Laguna district, I am glad to inform you that the American Consular Agent at Torreón telegraphed on January 27, noon, that the expropriation of foreign-owned cotton had been stopped.

I am [etc.]

ROBERT LANSING

File No. 312.115/252

Consul Canada to the Secretary of State

No. 1452

AMERICAN CONSULATE,
Vera Cruz, April 28, 1916.

SIR: I have the honor to transmit herewith enclosed a copy and a translation of a printed communication over the names of The Colonel Chief of Arms, I. P. Laxalde and the President of the Board of Civil Administration, Jesus Marin, dated "Jalapa-Enriquez, April -----, 1916," on which the address was omitted, calling upon

the persons and firms whose names appear at the bottom of the communication, to contribute the amounts shown therein opposite each name, respectively.

This circular letter was sent to Arbuckle Brothers' agency at Jalapa, State of Vera Cruz, by the city officials and a copy was furnished this consulate by the representative here of that firm with the request that we bring the matter to the notice of the Department.

Special attention is called to what is undoubtedly an implied threat, in the closing sentence of the letter. The only conclusion to be drawn from the veiled threat, especially considering that the first name to the circular is that of the chief of arms, is that, if the people addressed decline to comply with the request to contribute to this fund, the necessary action will be taken to force them to pay the amounts specified.

I have [etc.]

WM. W. CANADA

[Inclosure—Translation]

In agreement with the Board of Civil Administration and in view of the distress which the poorer classes are suffering on account of the scarcity of cereals, this office of the chief of arms has determined to appeal to the persons whose names are shown on the reverse side hereof, requesting that they kindly render assistance to remedy the conditions referred to.

The authorities mentioned have held conferences with persons of this place as well as of Coatepec and Teocelo, and it has been decided to make up a fund of not less than \$500,000.00, five hundred thousand pesos, which will be used to import American corn with the least possible delay and to retail it at cost. A board has been organized to undertake the importation to which we refer and it will be charged with the administration of the fund which will be collected, as well as with the proceeds of the sales.

The amount that we solicit will be returned to the persons who contribute same, once the corn from the next harvest is available and we do not expect that said amounts will suffer a shrinkage of any kind, as we are disposed to furnish the facilities and guaranties for the transportation of corn; and only in the case of accident or *force majeure* may loss of the fund be experienced by destruction or loss of a car with merchandise; but we repeat, we hope to return the entire amounts which we solicit.

As the importation should be made at once, we beseech you to be good enough to deliver, within three days, to the branch in this city of the National Bank, the amount assigned to you; bearing in mind that the sooner this petition is complied with, the more effective will be the assistance. And, although we are thoroughly convinced that the rates shown do not really involve a sacrifice, these authorities will take into account the good will of those who attend to this request with due rapidity; in the same manner that they will be disposed to require, by other means, the aid of such persons who give signs of not preoccupying themselves for the public welfare.

I. P. LIZALDE,
The Colonel Chief of Arms

JESUS MARIN,
The President of the Board of Civil Administration

(Here follows a list of the names of the persons and firms referred to in the first paragraph of above communication, with the amounts, which such persons and firms are requested to pay, shown opposite their names, the list containing the below-mentioned American firms:)

Arbuckle Brothers.....	\$10,000.00
Pan Mexican Coffee Co.....	10,000.00
Pierce Oil Corporation.....	5,000.00

File No. 312.115/252

The Secretary of State to Consul Canada

No. 893

DEPARTMENT OF STATE,
Washington, May 19, 1916.

SIR: The Department has received your despatch No. 1452 of April 28, 1916, enclosing a copy and translation of a printed communication over the names of the Colonel Chief of Arms, I. P. Laxalde, and the President of the Board of Civil Administration, Jesus Marin, calling upon certain persons and firms to contribute certain amounts to be used in the purchase of American corn.

You will protest to the appropriate authorities of the State Government against the action of the Colonel Chief of Arms and the President of the Board of Civil Administration in virtually attempting to collect forced loans from American citizens for the relief of the poor, and you will add that, if it has become necessary to raise funds for this purpose, the authorities should resort to proper means of taxation provided for by law.

If the authorities persist in their attempt to collect forced loans from American citizens, you will advise the Department.

I am [etc.]

For the Secretary of State:

WILBUR J. CARR

File No. 312.115/258

Consul Canada to the Secretary of State

No. 1477

AMERICAN CONSULATE,
Vera Cruz, June 9, 1916.

SIR: I have the honor to refer to the Department's instruction No. 893 of May 19, 1916, in regard to the communication sent out by the Colonel Chief of Arms and the President of the Board of Civil Administration, of Jalapa, State of Vera Cruz, calling upon certain persons and firms to contribute certain amounts to be used in the purchase of American corn for the relief of the poor. We advised the American firms that consulted with us, not to pay the contribution; and we made verbal representation in the case.

The result is that none of the Americans and only a few of the Mexicans paid the tax, and the authorities returned the money to those who paid, stating that the plan of collecting funds for the purpose mentioned had been abandoned, but that those who had shown their good will by contributing, would be remembered and their interests protected in the event occasion arose and their property should be jeopardized. I will advise the Department of any further developments in the matter.

I have [etc.]

WM. W. CANADA

File No. 312.115/253

Vice Consul Blocker to the Secretary of State

[Telegrams]

AMERICAN CONSULATE,
Eagle Pass, June 20, 1916, 10 a. m.

Governor State of Coahuila yesterday ordered all military commanders in neighborhood of American ranches within a radius of

one hundred miles of the border to immediately begin gathering of all horses and cattle thereon and to collect them into moderate size herds, driving them southward toward Saltillo. Approximately three million dollars worth American property is involved. Vice Consul is informed soldiers have been dispatched to begin rounding up to-day. American owners have been informed by military authorities that order from governor is imperative. Suggest Department act immediately before cattle are taken from their ranches.

BLOCKER

File No. 312.115/254

AMERICAN CONSULATE,
Eagle Pass, June 20, 1916, 10 a. m.

Yesterday an American brewery at Sabinas was confiscated by authorities and on June 18 five Mexicans including two Carranza officers raided an American-owned hacienda on Mexican side near Guerrero carrying away twenty horses, several saddles and arms. It is evident Governor Coahuila has started vigorous campaign against Americans and their property. The situation demands immediate action to prevent further raids this nature.

BLOCKER

File No 312 115/255a

The Secretary of State to Special Representative Rodgers

[Telegrams]

DEPARTMENT OF STATE,
Washington, June 20, 1916, midnight.

151. It is reported that Mexican authorities in the northern part of Coahuila have seized or purpose to seize thousands of head of stock owned by Americans on ranch or ranches near International Railway, running out of Eagle Pass. Please call attention of General Carranza to this report and state that this Government is loath to believe that this is done by his orders at a time when the relations between the two countries are so critical and that it is requested and expected that he immediately direct that the orders of seizure be countermanded and if acted upon already that the stock be returned without delay. The seizure of American property by officers of the *de facto* Government at this time would appear to be of questionable friendliness and would increase the seriousness of the present situation very materially and make more difficult any possible adjustment.

LANSING

File No. 312.115/258

DEPARTMENT OF STATE,
Washington, June 21, 1916, 3 p. m.

153. Consul, Piedras Negras, reports Governor of Coahuila ordering military commanders in neighborhood American ranches immediately seize and drive south all horses and cattle; that about three million dollars American property is involved and stock now being taken.

Request immediate orders to stop this wholesale confiscation American property.

LANSING

File No. 312 115/254

DEPARTMENT OF STATE,
Washington, June 21, 1916, 4 p. m.

157. Consul, Piedras Negras, reports confiscation of American brewery Sabinas and raid by five Mexicans, including two Carranza officers, on American-owned ranch near Guerrero, and that it appears Governor Coahuila has started vigorous campaign against Americans and their property.

Insist that governor be immediately ordered to desist from anti-American activities.

LANSING

File No. 312.115/257

Vice Consul Blocker to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Eagle Pass, June 23, 1916, noon.

Under orders of General Fortunato Zuaxua, commanding state troops of Coahuila, with headquarters at Sabinas, Coahuila, seven thousand goats and sheep, property of Mr. I. N. Boicourt, an American citizen, have been seized and carried away from his ranch near Piedras Negras to Sabinas. Owner requests proper representations be made for return of property or payment of same.

BLOCKER

File No. 312.115/257

The Secretary of State to Vice Consul Blocker

[Telegram]

DEPARTMENT OF STATE,
Washington, June 23, 1916, 5 p. m.

Yours June 23, noon. Department has received to-day two telegrams from American owner of property mentioned, but he made no request for action. Moreover, Department considers time inopportune for making representations in matter.

LANSING

File No. 312.115/259

Special Agent Silliman to the Secretary of State

[Telegram]

SALTILLO, *June 26, 1916, 6 p. m.*

Governor of Coahuila sent me word by special messenger that the military appropriation of stock on American properties on the frontier of Coahuila was unauthorized; that orders had been issued for their return to owners and that the officer who had appropriated the stock had been ordered to Saltillo for explanation. Also sent word that the command of General Nurguia had come to Piedras Negras to patrol border and prevent incursions of bandits from Mexican territory into the United States.

SILLIMAN

File No. 312.115/262

Consul Simpich to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Nogales, June 28, 1916, 11 a. m.

Military authorities Nogales, Sonora, are seizing valuable ores and bullion belonging to Americans on some of which all export duties had already been paid. Part of this taken by forcing open safe of Wells Fargo; other lots were taken from cars. On American ranches cattle and other property are being driven off and automobiles confiscated. Consulate in Nogales left under protection of Mexican collector of customs has been entered and robbed. It has become impossible to obtain any satisfaction from Mexican border officials. Lewis and Hart, American ore buyers, report seizure of twenty-five hundred dollars worth silver and gold bullion at Nogales, Sonora.

SIMPICH

File No. 312.115/262

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, June 29, 1916, 4 p. m.

178. Consul, Nogales, telegraphs following [Here follows telegram of June 28, 1916, from Consul Simpich].

Request appropriate authorities immediately order these depredations upon American property stopped and restoration seized properties. Ask for immediate reply. Report.

LANSING

File No. 812.021/13

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, July 1, 1916, 3 p. m.

205. Have made to Foreign Office urgent and insistent representations verbal and written in every case involving appropriation, seizure, interference or depredation upon American property and have not been able to obtain satisfactory assurances or even replies of late. Have laid special stress upon Coahuila appropriation of stock, Chihuahua retention of valuable mineral products and Colima seizure of bullion reported in various Department telegraphic instructions, as well as similar incidents which have come to my knowledge here, with no result whatever except promised investigation.

In view of these facts asked at Foreign Office to-day what interpretation was to be given such acts and was answered by Amador that he did not know. It is very evident to me, however, that they believe army officers and State authorities are acting independently and are determined to appropriate as much American property as possible for their private gain regardless of consequences. It prac-

tically has been admitted to me and especially by Foreign Office officials other than the Secretary that there is little control over some State Governments and northern army officers existing.

RODGERS

File No. 312.115B61

The Acting Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,
Washington, July 12, 1916, 5 p. m.

193. Department informed by A. R. Blankenship, American citizen, that on June 20, while escaping from Mexico and on board tanker *San Nicholas* in Tuxpam River, Mexican officials took from him 15,500 pesos, in bank notes, proceeds of his cattle sold, and that he telegraphed Secretary Hacienda for return of money which officials Tuxpam harbor, Colonel Angeles, took from him one hundred sixty-five dollars, his only remaining money.

Request appropriate authorities immediately turn over to you money taken from Mr. Blankenship and say that it is assumed, of course, that they do not approve of such lawless methods of dealing with American citizens and will be glad to make immediate reparation. Report.

POLK

File No. 312.115/265

Special Representative Rodgers to the Secretary of State

[Telegram]

MEXICO CITY, July 13, 1916, 4 p. m.

218. Finding officials much less difficult to deal with and believe them now disposed to try to afford some protection to American affairs. It is evident that general instructions to suspend aggression against American property have been issued. Nevertheless some State Governments are very reluctant to abandon their proceedings against Americans. This has been admitted to me by officials. Am insisting daily that full protection shall be given Americans and American property in all sections under control *de facto* Government.

RODGERS

File No. 312 115R39/1

The Acting Secretary of State to Special Representative Rodgers

[Telegrams]

DEPARTMENT OF STATE,
Washington, July 14, 1916, 5 p. m.

202. Richardson Construction Company reports Governor, Sonora, has designated company enemy to Constitutionalist cause and has appointed Mexican administrator company's large interests Yaqui Valley.

Request that Governor be ordered state immediately grounds his action and purpose appointment of administrator.

POLK

File No. 312.115R39/2

DEPARTMENT OF STATE,
Washington, July 14, 1916.

205. Richardson Construction Company reports buildings on its property near Guayamas occupied by Mexican troops, who have commandeered all supplies, automobiles, and other property of company.

Representations to Calles through Consul, Nogales, met with response that matter should be taken up with Carranza.

Urgently request appropriate authorities return this property to agents of owners.

POLK

File No. 312.115B11/115

DEPARTMENT OF STATE,
Washington, July 14, 1916, 10 p. m.

209. Newspaper reports indicate *de facto* Government has taken possession of Babicora Ranch, Chihuahua, belonging Babicora Development Company, American corporation.

Request to be informed immediately whether report correct. If so immediately lodge protest and ask for release of property.

POLK

File No. 312 115/266

DEPARTMENT OF STATE,
Washington, July 19, 1916, 6 p. m.

220. Department informed American owners plantations, Buena Ventura, Las Palmas and La Junta, at Cascajal, Vera Cruz, were visited July 14, by Carrancista troops, who threatened to loot plantations and execute native administrator unless he left properties, and that administrator's consequent departure lays properties open to much loss.

Advise appropriate authorities and request immediate orders permitting return administrator and that property be adequately protected.

POLK

File No. 312.115/2662

[Telegram]

DEPARTMENT OF STATE,
Washington, July 20, 1916, 5 p. m.

223. Reference Department's June 20, midnight, June 21, 3 p. m., June 21, 4 p. m., June 29, 4 p. m., July 12, 5 p. m., July 14, 5 p. m., July 14, 7 p. m., July 14, 10 p. m., all relating to the seizure or confiscation by Mexican authorities of American properties or lack of protection thereto resulting in its loss.

Additional incidents are burglarizing American Consulate, Nogales, about June 21, in consequence of withdrawal of guard which collector customs promised Consul would be maintained, and seizure and taking from Piedras Negras to Sabinos about June 23 by orders General Zuazua, military commander, Coahuila State troops, seven thousand goats and sheep belonging I. N. Boicourt, American citizen.

Bring all above to attention appropriate authorities, reciting previous representations, if any, and say in view these large number of acts committed or permitted by officials evidencing unfriendliness to Americans, this Government expects disavowal these acts by *de facto* Government and immediate and energetic action in way of restoration property where it still exists, adequate compensation for property destroyed, and punishment of responsible persons. Request early response.

POLK

File No. 312.115/267

DEPARTMENT OF STATE,

Washington, July 22, 1916, 7 p. m.

238. Department informed of following recent confiscations of American property State Durango: All bullion taken from Mexican Candelaria and San Luis companies, Sandimas; tannery in Durango State belonging Victor Gomez estate, confiscated by General Laveaga, military commander; all property of American Smelting and Refining Company, Velardena and Asarco, being taken by Mexican railroad employees; cattle and property on Varn's Cacaria ranch being removed.

Request immediate orders for return all this American property and that depredations thereon be absolutely discontinued. Ask that you be advised at once what action will be taken.

POLK

File No. 312.115/268b

DEPARTMENT OF STATE,

Washington, July 22, 1916, 6 p. m.

237. Department informed that following recent removal of American settlers from Yaqui Valley many of their properties were completely looted and that some of their farms have been taken possession of by Mexicans.

Request appropriate authorities immediately order all American property which has been removed from these places, restored thereto, and that all American properties this section be given adequate protection.

POLK

File No. 312.115/271

The Secretary of State to Special Representative Rodgers

[Telegram]

DEPARTMENT OF STATE,

Washington, August 18, 1916, noon.

303. D. J. Woodward, American citizen, owning La Marima Hacienda on river San Antonio, Coahuila, requests representations against instructions affecting his property received by the several mayors of that section to take possession of all nuts on the river in the name of the State Government. Consul, Piedras Negras,

reports that, while timber on navigable rivers, according to Mexican law, is withheld by Government for distance of twelve yards, law clearly states, fruits, grass, etc., thereon are property of owner adjoining land.

Request that, if compatible with Mexican law, orders be issued for relief of Mr. Woodward from instructions mentioned.

LANSING

File No. 312.115/274

Mr. Parker, representing American interests, to the Secretary of State

[Telegrams]

MEXICO CITY, September 7, 1916, 4 p. m.

380. Department's 153, June 21, 3 p. m. to Rodgers. Foreign Office replies denying assaults and confiscation.

PARKER

File No. 312.115/273

MEXICO CITY, September 7, 1916, 5 p. m.

382. Department's 220, July 19, 6 p. m. to Rodgers. Foreign Office replies all protection will be imparted properties named.

PARKER

File No. 312.115/274

The Secretary of State to Vice Consul Blocker

[Telegram]

DEPARTMENT OF STATE,

Washington, September 11, 1916, 4 p. m.

Your telegram June 20, 10 a. m. Parker, Mexico City, telegraphs Foreign Office denies confiscation property on American ranches along border.

LANSING

File No. 312.115/275

Vice Consul Blocker to the Secretary of State

[Telegram]

AMERICAN CONSULATE,

Eagle Pass, September 12, 1916, 5 p. m.

Department's September 11, 1916, 4 p. m. in answer to my June 20, 1916, 10 a. m. Confiscation order was revoked when it was seen by State officials of Coahuila that intervention would not occur as was believed when order was given on June 19.

BLOCKER

File No. 312.115/276

The Secretary of State to Mr. Parker, representing American interests

[Telegram]

DEPARTMENT OF STATE,
Washington, September 20, 1916, 5 p. m.

430. Your telegram 382, September seventh, 5 p. m. Following telegram received from Salina Cruz:

Properties were again raided September 11th by rebels and ex-Constitutionalist soldiers. All the provisions and much personal property stolen, native administrator and laborers have been forced leave. This will entail loss of crops which should now be harvested. Loss will be over ten thousand American dollars which the owners are not in position to lose.

Urge upon appropriate authorities necessity for prompt and effective action.

LANISING

File No. 312.115/277

Mr. Parker, representing American interests, to the Secretary of State

[Telegrams]

MEXICO CITY, October 6, 1916, 6 p. m.

453. Foreign Office in written reply denies categorically every statement made in Department's 178, June 29, 4 p. m. to Rodgers.

PARKER

File No. 312.115/278

MEXICO CITY, October 7, 1916, 2 p. m.

459. Department's 303 Aug. 18, noon, to Rodgers. Foreign office states nuts on federal zone of property mentioned being harvested by direct authority Department Fomento, but that property is in no manner intervened.

PARKER

File No. 312.115/279

MEXICO CITY, October 20, 1916, 6 p. m.

502. Department's 430, September 20, 5 p. m. Foreign Office replies that as soon as owner of properties in question requested protection to General Gutierrez same was immediately imparted and since that time properties have been under custody and crops can be harvested without difficulty.

PARKER

EMBARGO ON THE EXPORTATION OF ARMS AND MUNITIONS OF WAR TO MEXICO¹

File No. 312.113/3884a

The Secretary of State to Consul Simpich²

[Telegram]

DEPARTMENT OF STATE,
Washington, January 21, 1916.

Advise Department by telegraph, briefly and confidentially, from time to time, whether, in your judgment, permission for shipments

¹ Continued from For. Rel. 1915. p. 780.

² Same to American Consuls, Juarez, Hermosillo, Ensenada.

of munitions of war for industrial purposes to points in your district should be withheld. Consideration should be given to the possibility of such supplies falling into the hands of persons who might make improper use of them.

LANSING

File No. 812.113/3882

Vice Consul Cochran to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Nogales, January 22, 1916, 8 p. m.

Simpich returned from Yaqui Valley to-night and says Yaquis reported in vicinity of Ures and Alamos: that in his opinion no munitions should be permitted go to these points or to any point south Guaymas.

COCHRAN

File No. 812.113/3883

Consul Edwards to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
[Ciudad Juarez] El Paso, Texas, January 23, 1916, 7 p. m.

Department's January 21, 6 p. m. It is not advisable to allow munitions of war into this district. Conditions bordering on anarchy at this time.

EDWARDS

File No. 812.113/3885

Consul Hostetter to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Hermosillo, January 24, 1916, 9 a. m.

Department's January 21, 6 p. m. Shipments referred to in no danger at present time of falling into wrong hands.

HOSTETTER

File No. 812.113/3895

Consular Agent Sawday to the Secretary of State

[Telegram]

AMERICAN CONSULAR AGENCY,
Ensenada, January 30, 1916, 2 p. m.

Department's January 21, 6 p. m. Shipments should be confined to immediate requirements of known mining operations and public works.

SAWDAY

File No. 812.113/4094

The Secretary of State to the Governor of California

DEPARTMENT OF STATE,
Washington, April 26, 1916.

SIR: I am in receipt of reports to the effect that certain officials of this Government, charged with the duty of checking up shipments of munitions of war into Mexico, have stated that it is a simple matter for their efforts to be defeated by individuals purchasing arms and ammunition in small quantities and carrying them across the international line, in some obscure locality; and it appears, from the information received by me, that there is ground for suspecting that certain Mexicans in the United States have recently acquired arms and ammunition, for the purpose of taking or sending them into Mexico in an unlawful manner.

In order that the action of the appropriate Executive Departments of the Federal Government, in endeavoring to prevent the smuggling of munitions of war into Mexico, may be as effective as possible, I have the honor to suggest, for your consideration, the advisability of your instructing the appropriate officials of your State to cooperate in every possible and proper way with the agents of the Federal Government in their efforts to prevent the illegal carrying of arms and ammunition, and other munitions of war, from the United States into Mexican territory. If you could find it consistent and practicable to carry out this suggestion, I should very much appreciate your doing so.

It may be stated, for your information, that I have been recommending to the President that permission be given for the shipment of small quantities of explosives to certain localities in Mexico for industrial purposes. The matter of permitting the exportation of shipments of explosives for industrial purposes, or of munitions of war purchased by the authorized representatives of the *de facto* Government of Mexico is at present passed upon by the United States customs officials, in accordance with instructions received by them, at the American ports through which such supplies are consigned to Mexico, and the plan of cooperation herein suggested, which is merely to prevent smuggling, would not be intended to obstruct legitimate shipments.

A letter similar to this is being sent to the Governors of Arizona, New Mexico and Texas; and the Secretary of the Treasury, the Attorney General and the Secretary of War, are being likewise informed, in the matter.

I have [etc.]

ROBERT LANSING

File No. 812.113/4115

The Adjutant General to General Funston

[Telegram]

WAR DEPARTMENT,
Washington, May 1, 1916.

Secretary of War directs until further orders have been issued stop all arms and munitions of war from going into Mexico.

McCain

File No. 812.113/4130

*The Governor of Arizona to the Secretary of State*EXECUTIVE OFFICE,
Phoenix, May 3, 1916.

SIR: I have the honor to acknowledge receipt of your letter of the 28th ult., requesting the cooperation of the proper officials in preventing the smuggling of arms and ammunition from Arizona into Mexico.

You may be assured that I will immediately communicate with the proper officers of those Arizona counties contiguous to the international boundary, urging them to adopt all measures necessary to prevent illicit traffic in firearms and ammunition.

Very respectfully,

GEO. W. P. HUNT

File No. 812.113/4132

*The Governor of New Mexico to the Secretary of State*STATE OF NEW MEXICO,
Santa Fe, May 3, 1916.

SIR: I have to acknowledge receipt of your letter of April 28, relative to the probable practice of parties taking small quantities of arms and ammunition across the international border into the Republic of Mexico in an illegal way.

It seems to me that all that I can do at the present time will be to notify the officers of the border counties to be on the lookout and use every possible means to prevent such practices and apprehend those who may be guilty.

I shall notify these officers immediately and you may be sure that I will use all the means in my power to accomplish what is desired and seems most desirable at the present time.

I have [etc.]

W. C. McDONALD

File No. 812.113/4136

*The Governor of California to the Secretary of State*EXECUTIVE OFFICE,
Sacramento, May 4, 1916.

SIR: I am just in receipt of your communication of April 26, suggesting that the appropriate officials of this State be instructed to cooperate with the agents of the Federal Government in the effort to prevent the illegal carrying of arms and munitions of war into Mexico. Of course, I shall cheerfully do everything possible in the premises, and will be very glad to comply with any specific suggestions that you may make.

Respectfully,

HIRAM W. JOHNSON

File No. 812.113/4138a

*The Secretary of State to the Secretary of the Treasury*DEPARTMENT OF STATE,
Washington, May 9, 1916.

SIR: Referring to previous correspondence relative to the exportation of arms and ammunition from this country to Mexico, I have the honor to request that, for the present, collectors of customs

on the Mexican border and at seacoast points be instructed to release shipments of munitions of war to Mexico only after your Department shall have received official notice from the Department of State, or from the President, to permit the exportation.

I may add, for your information, that pending the restoration of more nearly normal conditions in Mexico, it is my intention to scrutinize more closely all shipments of munitions of war destined to points in that country, and with that end in view, officials of the Department of State and the War Department will confer at frequent intervals on the advisability of permitting explosives to proceed to Mexico. Accordingly, future permits will be prepared by the Department of State only after conference with the War Department.

I have [etc.]

ROBERT LANSING

File No. 812.113/4151

The Governor of Texas to the Secretary of State

GOVERNOR'S OFFICE,
Austin, May 10, 1916.

DEAR MR. LANSING: I am in receipt of your favor of April 28.

I note what you say about the efforts of Government officials being defeated by individuals purchasing arms and ammunition and carrying them across the international line in some obscure locality. I have referred this matter to our ranger service, and will use every endeavor to prevent unlawful action along the lines indicated.

Thanking you for calling the matter to my attention, and with much personal esteem, I am,

Yours truly,

JAS. E. FERGUSON

File No. 812.113/4157

Consul Simplich to the Secretary of State

[Telegram]

NOGALES, ARIZONA, May 15, 1916, 5 p. m.

Recommend that for next week or ten days no more arms or ammunition be allowed exported to Sonora and that explosives for American mines be reduced lowest possible minimum.

SIMPLICH

File No. 812.113/4158

The Acting Secretary of State to the Interstate Commerce Commission

DEPARTMENT OF STATE,
Washington, May 18, 1916.

GENTLEMEN: The following quotation is taken from a report dated May 8, from an American consular officer, at Piedras Negras, State of Coahuila, Mexico:^a

Yesterday May 8, another car of munitions arrived in Eagle Pass consisting of 443,000 rounds of five metal patched ammunition.

The car was discovered by an American noncommissioned officer in charge of inspecting cars at the Southern Pacific depot, who broke the seals in the presence of two employees of the railroad company. The commander of the American forces at Eagle Pass took charge of the car and has moved the contents to the post. The amount of ammunition now on hand at Camp Eagle Pass is approximately 1,000,000 rounds, all of which has arrived since April 1. The car containing the last shipment of ammunition had no marking as required by law, showing that it contained explosives. The shipment came from Western Cartridge Company of East Alton, Illinois.

In connection with the above-quoted statement to the effect that the car in question arrived at Eagle Pass without the marking required by law, showing that the car contained explosives, you are informed that several of the Executive Departments of the Federal Government are endeavoring to check up all shipments of munitions of war to Mexico. It is therefore respectfully requested that the report concerning this carload of munitions be investigated, with a view to ascertaining whether its shipment involved a violation of any regulation of the Interstate Commerce Commission. It is further requested that, if consistent with the regulations of your Commission, appropriate measures be taken to prevent the shipment, to points on the Mexican border, of munitions of war stored in cars that are without the markings indicating their contents.

I am [etc.]

FRANK L. POLK

File No. 812.113/4266a

The Secretary of State to the Secretary of the Treasury

[Telegram]

DEPARTMENT OF STATE,
Washington, June 19, 1916.

Please telegraph collectors of customs to hold up all shipments of munitions of war to Mexico, regardless of recent permits granted by this Department or by the President.

ROBERT LANSING

File No. 812.113/4453a

The Acting Secretary of State to the Secretary of the Treasury

DEPARTMENT OF STATE,
Washington, July 21, 1916.

SIR: I have the honor to inform you that the Secretary of War has directed General Funston, by telegraph, to permit all articles to cross the border into Mexico, except munitions of war and materials and machinery which may be used for the manufacture of munitions of war. General Funston has also been informed that munitions of war will be permitted to enter Mexico when authorized by special permit.

Accordingly, I have the honor to request that collectors of customs along the Mexican border be given corresponding instructions, by telegraph, by your Department.

I have [etc.]

FRANK L. POLK

File No. 812.113/4679

The Division of Mexican Affairs to the Secretary of State

[Memorandum—Extract]

DEPARTMENT OF STATE,
DIVISION OF MEXICAN AFFAIRS,
Washington, August 7, 1916.

The following presidential proclamations have been issued:

President Taft's proclamation of March 14, 1912,⁴ prohibiting the exportation of munitions of war to Mexico, except under certain limitations to be prescribed by the President.

President Wilson's proclamation of February 3, 1914,⁵ lifting the embargo on the shipment of munitions of war to Mexico.

President Wilson's proclamation of October 19, 1915,⁶ replacing the embargo on the shipment of munitions of war to Mexico, and prescribing that such shipments are to be made only under certain limitations.

The Department's records show that after the issuance of the proclamation of March 14, 1912, we authorized the shipment of munitions of war to the Mexican Government, and to industrial and commercial firms, which the Department's information indicated were reliable. It also appears from the records that the Department refused to grant permission for the exportation of explosives to mining companies when it seemed that the supplies would fall into the hands of insurrectionary bands.

As soon as President Wilson issued his proclamation of October 19, 1915, he directed the Secretary of the Treasury, by letter, upon the recommendation of the Secretary of State, to apply its terms only to the States of Sonora and Chihuahua and to the Territory of Lower California: and thereafter shipments of munitions of war intended for places in the States of Sonora and Chihuahua and the Territory of Lower California were permitted only on special authority of the President. This direction to the Secretary of the Treasury meant that there were no restrictions on the shipments of munitions of war to any places in Mexico other than those in the sections above mentioned. After the issuance of the proclamation of October 19, 1915, the recognized de facto Government of Mexico was permitted by the President, on the recommendation of the Department of State, to ship munitions of war into Sonora, Chihuahua, and Lower California. Explosives to be used for industrial purposes were also permitted to enter these sections in the same manner. There was, however, no blanket authority given for any of these shipments, and it was necessary to submit to the Department of State a separate application for permission to export each individual shipment.

The above was the practice followed immediately after the proclamation of October 19, 1915, was placed in effect. Later, however, the procedure was modified through the cooperation of several of the Executive Departments of the Government, and informal embargoes on the shipment of munitions, as well as on some other articles, have been, from time to time, placed in effect on shipments

⁴ For. Rel. 1912, p. 745.⁵ For. Rel. 1914, p. 447.⁶ For. Rel. 1915, p. 780.

from the United States destined to any place in Mexico, and these informal embargoes have been modified to meet existing conditions. It may be said in this connection that we have of late been refusing to allow any arms or ammunition to go to the *de facto* Government of Mexico, or to individuals and firms in that country, and have been refusing to permit the exportation of machinery or raw materials useful in the manufacture of munitions. Such raw materials are, however, permitted to enter Mexico if the facts indicate that they are not to be used in the manufacture of munitions. We are, however, permitting the shipment to Mexico of limited quantities of explosives for industrial purposes, and such shipments are made by direction of the President when they are exported to Sonora, Chihuahua, and Lower California; and when they go to other parts of Mexico the shipments are permitted by the Treasury Department on the recommendation of the Department of State, concurred in by the War Department, without referring the matter of these particular shipments to the President. The War Department concurs also in all recommendations that the Department of State sends to the President with reference to permitting the shipment of explosives for industrial purposes to Sonora, Chihuahua, and Lower California.

LATCHFORD

File No. 812.113/4960.

The Secretary of State to Minister Long

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, October 12, 1916, 5 p. m.

Informally and unofficially say to Foreign Office [Salvador] that this Government is deeply interested in restoration law and order in Mexico; that it is feared that if munitions are permitted to go to Mexico from Salvador they would eventually fall into hands of lawless elements and tend to prolong the strife which unfortunately exists in Mexico, and that the Government of the United States would consider it a very friendly act if the Salvadorean Government would prevent shipment of munitions of war to Mexico, pending return of more nearly normal conditions in that country.

Keep Department promptly informed of any apparent plan to send munitions to Mexico through sale or otherwise.

LANSING

File No. 812.113/4960

*The Acting Secretary of State to Minister Leavell*¹

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, October 19, 1916, 6 p. m.

Department has reports indicating that an attempt may be made to acquire munitions of war in Central America for use in Mexico. Informally and unofficially say to Foreign Office [Guatemala] that

¹ Same, *mutatis mutandis*, to the American Legations at Tegucigalpa, Managua, San José and Habana.

this Government is deeply interested in restoration law and order in Mexico; that it is feared that if munitions are permitted to go to Mexico from Guatemala they would eventually fall into the hands of lawless elements and tend to prolong the strife which unfortunately exists in Mexico, and that the Government of the United States would consider it a very friendly act if the Guatemalan Government would prevent shipment of munitions of war to Mexico, pending the return of more nearly normal conditions in that country.

Keep Department promptly informed of any apparent plan to send munitions to Mexico through sale or otherwise.

POLK

PROTECTION OF CHINESE INTERESTS IN MEXICO

File No. 312.93/139

Consul Letcher to the Secretary of State

[Telegram]

EL PASO, (CHIHUAHUA), February 28, 1916, 1 p. m.

On February 25, 10 p. m., Carranza soldiers commanded by Gen. Luis Gutierrez at Jimenez, en route Chihuahua, attacked hotel of Charley Chee, a Chinaman, and robbed guests, beating G. M. Henderson, an American, and imprisoning all till following morning, when Chee was executed. Chee one of best known Chinamen in State and proprietor leading hotel at Jimenez. Henderson who is manager of an important mine at Guanacevi, was threatened with execution and two other Americans maltreated.

LETCHER

File No. 312.93/139

The Secretary of State to Special Agent Silliman

[Telegram]

DEPARTMENT OF STATE,
Washington, March 3, 1916, 8 p. m.

Consul Letcher telegraphed Monday. [Here follows telegram from Consul Letcher, dated February 28, 1 p. m.]

Request appropriate authorities to take steps to punish those guilty of outrages mentioned.

LANSING

File No. 312.93/141

The Secretary of State to the Chinese Minister

DEPARTMENT OF STATE,
Washington, March 8, 1916.

MY DEAR MR. MINISTER: I beg to inform you that the American Consul at Chihuahua, Mexico, telegraphed, on February 28, that certain soldiers of the *de facto* Government of Mexico, commanded by General Luis Gutierrez, on the night of February 25 attacked

the hotel at Jimenez, State of Chihuahua, Mexico, belonging to Charley Chee, a Chinese subject, robbed and imprisoned his guests, including an American citizen, and executed Mr. Chee on the following morning. On March 3, I instructed the Department's representative near General Carranza to request the appropriate authorities to take steps to punish those guilty of the outrages mentioned.

I am just in receipt of another telegram from the Consul at Chihuahua, dated March 7, 1 p. m., which is herewith quoted, for your information:

Chinese relations and friends of Chee, referred to in my telegram February 28, 1 p. m., request that Chinese Minister to Mexico be advised about the case and requested to send a representative to investigate and to protect rights of the heirs to property.

I am [etc.]

ROBERT LANSING

File No. 312.93/152

Consul Hostetter to the Secretary of State

No. 825

AMERICAN CONSULATE,
Hermosillo, May 9, 1916.

SIR: I have the honor to report that I have been able to secure for Chinese subjects, the following privileges. When General Calles came to Hermosillo he ordered that no Chinaman could travel outside of the city or town in which he lived nor would he issue passports to any; some towns passed laws to segregate the Chinese in certain portions of the towns. I got him to annul all three orders but efforts are being made to annoy the Chinaman and am afraid that sooner or later they will be molested a great deal.

I have [etc.]

LOUIS HOSTETTER

File No. 312.93/158

Consul Edwards to the Secretary of State

[Telegram]

EL PASO, November 9, 1916.

There are in Juarez fully two hundred Chinese refugees that have come from Villa territory and daily arriving. The majority of them are in destitute circumstances. They are also in constant danger at being in Juarez when a change of some kind takes place. If it were possible to give them a small financial assistance I think it should be done in any case. I would be pleased to be able to state to them that in case of danger the immigration station on the American side would be open to them. It being known that these people cannot leave the country bandits regardless of faction anticipating that they have money concealed often abuse them and frequently they are killed.

EDWARDS

File No. 312.93/158

The Secretary of State to Consul Edwards

[Telegram]

DEPARTMENT OF STATE,
 Washington, November 10, 1916, 6 p. m.

Department suggests you confer with Immigration Inspector, as it is understood he has standing instructions regarding refuge. Department has no funds at its disposal that could be used to assist Chinese.

LANSING

 PROTECTION OF TURKISH INTERESTS IN MEXICO

File No. 312.67/65

Consul Garrett to the Secretary of State

No. 282

AMERICAN CONSULATE,
 Nuevo Laredo, March 24, 1916.

SIR: I have the honor to enclose herewith a petition¹ from Jorge Elias, a Turkish subject, to the Secretario de Hacienda y Credito Publico, Mexico, D. F. asking the return of \$185.70 Mexican silver, which was taken from him here to-day when he attempted to cross the international bridge, with it to buy provisions and other necessities for his family.

Mr. Elias states that he was not aware that there was any law against taking silver money out of the country, and as he made no attempt to conceal it, I believe the Secretario de Hacienda will order it restored to him if the matter is properly presented to him, especially as it leaves the man and his family almost destitute.

As there is no Turkish representative here and I have been instructed by Department to look after their interests I respectfully request that Department will pursue such course as they may deem advisable to have Mr. Elias' petition presented and his interests properly protected.

I have [etc.]

ALONZO B. GARRETT

File No. 312.67/65

The Secretary of State to Special Representative Rodgers

DEPARTMENT OF STATE,
 Washington, April 5, 1916.

SIR: The Department encloses herewith a copy of a despatch from the American Consul at Nuevo Laredo, Mexico, and a petition from Jorge Elias, a Turkish subject, requesting the return of \$185.70 Mexican silver, which was taken from him by the Mexican authorities at Nuevo Laredo on March 24, 1916. In the absence of a Turkish

¹Not printed.²For. Rel. 1915, p. 1072.

representative at Nuevo Laredo, Mr. Elias appealed to Consul Garrett for assistance.

The Department desires you to bring this matter to the attention of the appropriate authorities and to request that the money be returned to Mr. Elias.

I am [etc.]

For the Secretary of State,
WILBUR J. CARR

File No. 312.67/68

Consul Garrett to the Secretary of State

No. 285

AMERICAN CONSULATE,
Nuevo Laredo, April 11, 1916.

SIR: I have the honor to inform the Department that Carlos Dominguez, a Syrian, came in from Monterey this morning with one hundred and twenty one pesos in bills of Banco Nuevo Leon and Banco Nacional, and four pesos Mexican silver, with which he expected to purchase supplies for his family, but when he reached the international bridge, the whole of it was taken from him by the Mexican customs guards, leaving him entirely destitute.

Very few foreigners are aware of this ruling against bank bills and silver being taken out of the country, and I would respectfully suggest that Department request that when the evidence shows that no attempt is made by foreigners to smuggle their money across, but are simply ignorant of the ruling, their money shall be returned to them with the information that they are not permitted to take it out of the country.

I am [etc.]

ALONZO B. GARRETT

File No. 312.67/68

The Secretary of State to Special Representative Rodgers

DEPARTMENT OF STATE,
Washington, April 20, 1916.

SIR: The Department encloses herewith a copy of a despatch from the American Consul at Nuevo Laredo, Mexico, relative to the seizure of one hundred and twenty-five pesos by Mexican authorities at Nuevo Laredo, the property of Carlos Dominguez, a Syrian.

The Department desires you to bring this matter to the attention of the appropriate authorities, and to request that the money be returned to Mr. Dominguez.

In this connection it may be stated that all American Consuls in Mexico were instructed, on January 9, 1915, to use their unofficial good offices in behalf of Ottoman subjects, because the Turkish Government had no consular representatives in Mexico.

I am [etc.]

For the Secretary of State,
WILBUR J. CARR

File No 312.67/69

The American Jewish Committee to the Secretary of State

NEW YORK, April 21, 1916.

SIR: The Federation of Oriental Jews of America, with headquarters in New York City, has requested this Committee to bring to the attention of the Department the fact that they have information that in Vera Cruz, Mexico, a number of Ottoman subjects, mostly of the Jewish faith have been subjected to indignities and hardships, that at times their lives were put in jeopardy, and that they are unable to secure any redress. The Federation states by way of concrete example, that a few weeks ago an Ottoman subject, Enriguo Haim by name, was arrested on the charge of being a Zapatista and that whilst this charge was unfounded he would, but for the intervention of an influential person, have been summarily executed.

This committee begs to suggest that the Department cause an investigation to be made as to these allegations and in the event that there is foundation therefor, and understanding that the United States consular representatives are looking after the welfare of the subjects of the Ottoman Empire in nearly all of the cities of Mexico, that the American representative in Vera Cruz be instructed to accord protection to Ottoman subjects in that City.

I have [etc.]

CYRUS ADLER,
Chairman Executive Committee

File No. 312.67/69

The Secretary of State to Consul Canada

No. 891

DEPARTMENT OF STATE,
Washington, April 24, 1916.

SIR: The Department encloses herewith a copy of a letter dated April 21, 1916, from Mr. Cyrus Adler, of New York City, relative to the reported persecution, at Vera Cruz, of Ottoman subjects of the Jewish faith.

The Department desires you to exercise your unofficial good offices in behalf of Ottoman subjects in your district, in accordance with the instruction sent to you under date of January 9, 1915.²

I am [etc.]

For the Secretary of State:
WILBUR J. CARR

²For. Rel. 1915, p. 1072.

MOROCCO

FRENCH PROTECTORATE IN MOROCCO. ABROGATION OF THE CAPITULATIONS IN THE FRENCH ZONE¹

File No. 881.00/622

The Secretary of State to the French Ambassador

No. 1640

DEPARTMENT OF STATE,
Washington, January 18, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of October 29, 1915,² informing the Department that the Tunisian and Moroccan Governments have decided that merchandise shipped from neutral countries to either Tunisia or the French zone in Morocco shall not be admitted in the future unless accompanied by a certificate of the customs authorities of the said countries, duly viséd by a French consul and testifying that the said merchandise is the product of the country from which it comes.

In so far as this decision applies to merchandise imported into Morocco, the Department cannot recognize the legality or binding effect of this decision. The attitude of the United States in respect to its rights in Morocco has been previously explained to your excellency. The United States has consistently maintained the position that the rights granted to it by capitulations in any of the extraterritorial countries have been irrevocably granted and cannot be taken away without the consent of this country. That this view is also held by the Government of the French Republic is evidenced by the following quotation from a note, dated August 14, 1915, from the French Foreign Office to the American Ambassador at Paris, where, referring to the attempt by the Ottoman Government to abrogate the rights of French subjects and protégés under the capitulations, it is stated:

These pretensions cannot be admitted by the French Government, which has not recognized the abrogation, decreed before the rupture of diplomatic relations, of the capitulations, which were a mutual contract which could not be broken by a unilateral declaration.

The Department is ready at any time to take up with your excellency or with the French Government the conditions under which it will consent to the abolition or modification of the American capitulatory rights in Morocco.

Accept [etc.]

ROBERT LANSING

¹ Continued from For. Rel. 1915, p. 1097.

² Not printed.

• File No. 881.00/612

Ambassador Sharp to the Secretary of State

No. 1989

AMERICAN EMBASSY,
Paris, February 11, 1916.

SIR: I have the honor to acknowledge the receipt of the Department's No. 793 of December 29 last^s enclosing copy of a despatch from the American Chargé d'Affaires at Tangiers, relative to an order of the resident general of Morocco to the effect that certain cases which previously were tried before the civil courts, are now placed within the competence of the French military tribunals, and instructing me to call to the attention of the French Government, this action of the resident general, and to protest against such as being contrary to the rights guaranteed to American citizens in Morocco by the Act of Algeciras.

The Minister for Foreign Affairs has replied to the communication I addressed him in compliance with your instruction. I beg to enclose herewith, in copy and translation, Mr. Briand's letter, from which it will be seen that he states that the order of the resident general is made entirely as a military order necessitated by a state of siege in that territory, and is not intended as a permanent change of judiciary régime. The letter further says that the residents of Morocco have benefited by this order of General Lyautey and that due to the placing of certain cases under the competence of the military authorities, the good order of Morocco has been maintained.

I have [etc.]

WM. G. SHARP

[Inclosure—Translation]

The Minister of Foreign Affairs to Ambassador Sharp

MINISTRY FOR FOREIGN AFFAIRS,
Paris, February 4, 1916.

MR. AMBASSADOR: On the 22d ultimo, referring to a letter written by the Consul of France at Mogador to the American consular agent at that city under date of September 5, your excellency was pleased to protest against an order issued by the resident general, commander-in-chief in Morocco, placing under the sole jurisdiction of the military authority, and for the duration of the state of siege, the repression of any infractions to the provisions of the Dahir of Ramadam 26, 1333, concerning military requisitions.

I have the honor to inform your excellency that in issuing the order in question, General Lyautey has not exceeded the rights which have, at all times and in all places, been conferred upon commanders of armies in the field for the purpose of ensuring the safety of their troops. The said order in fact, refers specifically to the order of the commander-in-chief of the troops occupying Morocco, dated August 1914, instituting martial law and proclaiming the state of siege over the whole extent of the French zone in the Shereefian Empire. The publication of the said martial law, which by reason of the war conditions was as imperative in Morocco as in any other French territory or possession, was duly communicated to the consular representatives of the foreign Powers at Casablanca, among whom was the British Consul charged with American consular interests. Neither at that time nor later, did this action give rise to any protest on the part of the allied or neutral Governments, nor was any protest made at any subsequent applications of the law.

^s For. Rel. 1915, p. 1098.

The consequences of the state of siege instituted by the said martial law result, it is true, in divesting in favor of the military jurisdiction of the occupying army, all civil courts—either French or consular belonging to the Powers which still hold judicial privileges in the French zone in Morocco—of the jurisdiction of certain crimes or attempts against the safety of the French troops, or of actions prejudicial to public order or safety, which it is the duty of the resident general, commander-in-chief, to assure in the very interest of the foreign colonies. But such a measure which is of a military character and quite exceptional and temporary, like the circumstances which require and justify it, does not affect in any way the fundamental principle of the privileges of jurisdiction still claimed by the Federal Government in the Shereefian Empire; it merely suspends its action pending the duration of the state of siege and in certain cases. Among such cases, the resident general, commander-in-chief, has deemed it necessary to include the application of the *dahir* regulating in a very liberal manner, moreover, all requisitions purporting to ensure the victualling and operations of the army in occupation, the presence and activity of which have allowed Morocco to enjoy since the beginning of the war a tranquillity from which American citizens have benefited to the same extent as the subjects of other Powers.

I feel convinced that the forgoing explanation will enable your excellency to reassure fully the Federal Government as to the reasons and the import of the action taken by General Lyautey, which formed the subject of your communication of January 22 last.

With assurances [etc.]

A. BRIAND

File No. 881.00/623

The French Ambassador to the Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, April 17, 1916.

MR. SECRETARY OF STATE: I did not fail to report to my Government the objections formulated by your excellency in the note of January 18 last, to the conditions put on the importation into Morocco of merchandise from neutral countries which, in the opinion of the Federal Government, would be inconsistent with the capitulation régime, the benefit of which is still enjoyed by the United States. I took pains to say at the same time that the Department of State is quite ready for an immediate discussion of the terms on which the capitulatory rights of the United States in that country may be abolished.

The President of the Council, Minister of Foreign Affairs of the Republic, wishes me to point out to your excellency that those rules are intended to prevent Germany from sending to Morocco German merchandise that has been more or less fictitiously nationalized in a neighboring neutral country. The general measures which the French authorities had to take in this respect are therefore not likely to apply to American merchandise and consequently have but a theoretical scope so far as the United States is concerned.

Furthermore, from another standpoint, the Government of the Republic deems it impossible to accept the theory which does not appear to rest on any text and according to which these measures would conflict with capitulatory privileges. The Shereefian Government, as a matter of fact, has the right to order that merchandise from any country must, before entering Morocco, be accompanied by certificates of origin visé by French consuls and my Government feels justified in its belief that upon a reexamination of this question the Federal Government would concur in that view.

In the course of his communication on the subject, Mr. Briand expresses the satisfaction which I have already made known orally to your excellency, he experienced in hearing that your excellency had declared your readiness to consider with me a settlement of the capitulation question.

He adds that the French Government would particularly appreciate that mark of confidence and friendship on the part of the Federal Government.

Be pleased [etc.]

JUSSERAND

File No. 881.00/623

The Secretary of State to the French Ambassador

DEPARTMENT OF STATE,
Washington, July 1, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of April 17, 1916, referring once more to the French protectorate in Morocco and the American capitulatory rights in that country, and stating that the French Government would particularly appreciate the mark of confidence and friendship which would be shown by the United States in taking up at this time with the Government of the French Republic the questions connected with the recognition of the French protectorate and the surrender or modification of the American capitulatory rights.

While I would prefer not to take up the matters relating to internal conditions in Morocco until after the war, or at least until such time as questions relating to the French and Spanish zones and the international zone at Tangier could have been treated simultaneously, in view of the urgent requests of the French Government that recognition of the French protectorate should not be delayed, this Government, out of its feeling of friendship for France, is prepared to meet the wishes of the French Government.

This Government, however, considers that simultaneously with the recognition by the United States of the French protectorate in Morocco the Government of the French Republic should guarantee:

1. That the vested rights of American citizens and protégés in property in Morocco will be respected and confirmed, and that existing treaty rights respecting the purchase and sale of land, including the rights recognized by Article 60 of the Algeiras Act, will be protected and preserved.

2. That equality of opportunity will be accorded American commercial interests, not only to maintain their present standing in Morocco, but also to share in the country's commercial development, including equal treatment with respect to the levying and collecting of duties on imports and exports as granted by the Algeiras Act, and including equal opportunity to share in the construction of public works and the furnishing of governmental supplies as granted by that Act.

3. That the United States and its citizens shall in any event possess the rights of the most favored nation within the French zone in Morocco and, so far as France is concerned, within the international zone at Tangier.

4. That the American claims against the Government of Morocco will be adjusted before the expiration of a certain reasonable period by the payment of the awards of the claims commission of 1910, and by an assurance that the awards of the present claims commission will be paid by France, as well as the few outstanding claims which have arisen subsequently to the present commission. The Department will within a few days in another note enumerate these claims in detail.

5. That American rights in the Spanish zone in Morocco or in the international zone at Tangier will not in any way, in so far as France is concerned, be prejudiced or adversely affected by the recognition of the French protectorate by the United States, or by the surrender or modification of its capitulatory rights in the French zone in Morocco.

6. That, in the event that a mixed court of justice or any other international court is created in the international zone at Tangier to exercise judicial powers possessed by consular officers under the capitulations, the United States shall have, so far as France is concerned, the right to select and appoint an American citizen as a member of such court or courts, it being understood that this guaranty shall not be regarded as a recognition by the United States of the proposed international Government of Tangier, or as prejudicing or adversely affecting the rights of the United States or its citizens in Tangier.

These guaranties as to the rights and privileges of the United States and its citizens in Morocco will, I believe, be regarded by your excellency's Government as justly due to the United States, in view of the fact that the protection of American interests, like those of the countries which have already accorded recognition to the French protectorate, has long been disregarded by the Moroccan authorities, without this Government even suggesting any such compensatory advantages as certain other countries have asked and received in exchange for the recognition of the new régime in the Shereefian Empire. On account of the fact that American consular officers in Morocco are authorized to exercise judicial functions by virtue of an Act of Congress, in addition to the Treaty of 1836 with Morocco, the appropriate method under the American system of Government of divesting the consuls of this authority is either by a repeal of the Act or by the conclusion of a treaty between the Governments of the United States and France stipulating for the surrender by the United States of its right to exercise consular jurisdiction in the French zone of Morocco. As the latter mode of procedure appears to be the more practical in the circumstances I shall be pleased, upon the receipt of the assurances of your excellency's Government that it is prepared to give to the Government of the United States the guaranties mentioned simultaneously with the exchange of ratifications of such a treaty, to enter into negotiations for a treaty surrendering the extraterritorial rights of the United States in the French zone of Morocco.

Accept [etc.]

ROBERT LANSING

File No. 881.00/623

The Secretary of State to Chargé Blake

[Telegram]

DEPARTMENT OF STATE,
Washington, July 5, 1916, 5 p. m.

Department on July first sent note to French Ambassador Washington stating conditions under which United States would be inclined to recognize French protectorate and agree to abolition American extraterritorial rights Morocco. Copy of this note will be promptly mailed you.

LANSING

File No. 881.00/624

*The French Ambassador to the Secretary of State*FRENCH EMBASSY,
Washington, July 31, 1916.

MY DEAR MR. SECRETARY: Referring to our conversation of the other day, I beg to say that my Government has sent me the text of the declaration signed, with reference to the abrogation of capitulations in the French zone of Morocco, by all the Powers signatory of the Algeciras Conference and by the South American Republics.

The French Government greatly desires that uniformity be maintained, and hopes that this text, which safeguards all the American rights, will prove acceptable to you.

On account of the need for the President of the United States' ratification, the last paragraph will have, doubtless, to be so written as to take into account such a ratification.

Believe [etc.]

JUSSERAND

[Inclosure—Translation]

DECLARATION

The undersigned, duly authorized by their Governments, make the following joint declaration:

Taking into consideration the guaranties of juridical equality offered to aliens by the French tribunals of the protectorate, the Government of the United States of America relinquishes its claim to all the rights and privileges growing out of the capitulation régime for its consuls, the persons subject to its jurisdiction and its establishments within the French zone of the Shereefian Empire.

The treaties and conventions of every description in force between France and the United States extend as of right, unless otherwise specifically provided, to the French zone of the Shereefian Empire.

The present declaration will go into effect within ____ days from the date of signature.

Done in duplicate, at Washington, this ____

File No. 881.00/624

The Acting Secretary of State to Chargé Blake

[Telegram]

DEPARTMENT OF STATE,
Washington, August 3, 1916, 7 p. m.

French Ambassador has sent Department text of declaration referring to abrogation of capitulations in French zone of Morocco signed by all Powers signatory Algeciras Conference and South American Republics. French Government desires the United States use this text that uniformity may be maintained. Declaration is as follows: [Follows text printed above:]

Department desires your comments and suggestions this declaration, and also whether Moroccan Government should be made party to treaty surrendering American capitulatory rights French zone Morocco.

POLK

File No. 881.00/623

The Secretary of State to Chargé Blake

No. 167

DEPARTMENT OF STATE,
Washington, August 8, 1916.

SIR: Referring to the Department's telegram of August 3 requesting your comments and suggestions upon the form of renunciation of American extraterritorial rights in Morocco which the French Government has requested the United States Government to adopt, and to the Department's telegram of July 5, stating that a note had been sent on July 1 to the French Ambassador at Washington giving the conditions under which the United States would be inclined to recognize the French protectorate and to agree to the abolition of American extraterritorial rights in Morocco, there is herewith enclosed for your information a copy of the note in question.

I am [etc.]

For the Secretary of State:

JOHN E. OSBORNE

File No. 881.00/626

Chargé Blake to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Tangier, August 8, 1916, 11 a. m.

Your telegram August 3, seven p. m. Text of declaration apparently identical with that accepted by most of the Governments which have renounced the capitulations in the French zone of Morocco. It is assumed that this particular declaration concerns solely the abrogation of judicial privileges. The recognition of the French protectorate and the abrogation of the capitulations are separate but consecutive acts, and if performed in this sequence, Moorish Government would not become a party to the treaty surrendering our capitulatory rights. I venture to suggest it should be provided that the suppression of the capitulations will not be retroactive in operation, and if our Government does not insist upon the settlement of all

outstanding reclamations against the old Moorish régime, as a corollary to recognition of the French protectorate and suppression of the capitulations then it should be agreed that the French tribunals should not be competent to pass on any matters, which are present subjects of controversy between our Government and either the old Moorish régime or the French authorities. Such cases could be resolved by common agreement or by arbitration. This reservation as well as all other guaranties, economic or otherwise, which you deem it useful to impose ought to be confirmed by separate communications. The Legation would find it helpful if you would kindly communicate by telegraph a summary of the conditions referred to in your telegram of July 5, five p. m.

BLAKE

File No. 881.00/628

The French Ambassador to the Secretary of State

FRENCH EMBASSY,
Washington, August 26, 1916.

MY DEAR MR. SECRETARY: Confirming the information which I gave you verbally on the 22d inst, I beg to state that my Government, whom I had apprised of the preference of the Department of State for the arrangement concerning the abrogation of capitulations in Morocco having the form of a treaty instead of being called a declaration, have answered me that they have no objection.

In accordance also with Mr. Polk's suggestion, an addition to the text which I had submitted to him will provide for an exchange of ratifications, and the preamble will be so worded as to recall the fact that I am empowered to act on behalf of both the President of the French Republic and of the Sultan of Morocco. The text would therefore begin thus:

The President of the French Republic acting in his own name, as well as in that of His Majesty the Sultan of Morocco, in accordance with Art. 6 of the Franco-Moroccan Treaty of March 30, 1912, and the President of the United States, etc.

This is (with the addition, however, of a direct reference to the treaty), the same formula as was used for Tunis in 1904. As for the Treaty of 1912 I notified its text to one of your predecessors on the 8th of January 1913.

Believe me [etc.]

JUSSERAND

P. S.—I scarcely need say that I should be most happy if the preparation of the treaty would be proceeded with as soon as convenient.

J.

File No. 881.00/631

The French Ambassador to the Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, October 3, 1916.

MR. SECRETARY OF STATE: Referring to the conversation I had the honor to have on yesterday with your excellency, I deem it my

pany with an exchange of notes the contemplated convention relative to the abrogation of the capitulations and to the recognition of our protectorate in the French zone of Morocco.

Those notes would stipulate that:

1st: Such American claims as may still be pending in Morocco would be settled in the shortest possible time and in a most conciliatory spirit;

2d: In so far as it may lie in our power the rights of American citizens in the Spanish and Tangier zones shall not be affected by the relinquishment of the capitulations vouchsafed to us in our zone.

3d: Nothing will be omitted to secure in the French zone of Morocco the same equal rights with French citizens as are enjoyed by American citizens in France.

4th: In the event of a mixed court being created in Tangier, the French Government will take in benevolent consideration the ground upon which the American Government might base a request that one of the judges be of American nationality.

Be pleased [etc.]

JUSSERAND

File No. 881 00/631

The Secretary of State to the French Ambassador

No. 1770

DEPARTMENT OF STATE,
Washington, October 12, 1916.

EXCELLENCY. I have the honor to acknowledge the receipt of your note of October 3, stating that your Government is disposed to accompany with an exchange of notes the contemplated convention relative to the abrogation of the capitulations and to the recognition of the French protectorate in the French zone of Morocco, and enumerating four stipulations which the French note would contain.

I will acquaint your excellency with the views of this Government on the proposed stipulations as soon as I have had opportunity to consider them.

Accept [etc.]

ROBERT LANSING

**ISSUANCE OF EXEQUATURS TO AMERICAN CONSULAR OFFICERS
IN THE FRENCH AND SPANISH ZONES IN MOROCCO**

File No. 702.0081/1

The French Ambassador to the Secretary of State

[Translation]

FRENCH EMBASSY,
Washington, January 16, 1916.

MR. SECRETARY OF STATE: My Government wishes me to say to your excellency that under the terms of the Treaty of March 31, 1912, which established the Protectorate of France over the Empire of Morocco, the resident commissioner general of the Republic, Minister of Foreign Affairs of the Sultan is the Sultan's only intermediary with foreign representatives, he alone has charge of all questions

affecting foreigners in the Shereefian Empire (Article 5, paragraph 2) as a consequence he alone in the Empire can issue exequaturs to foreign consuls.

Wishing however to please the Spanish Government the Government of the Republic has consented to waiving its treaty right in the Spanish zone and through a dahir dated the 15th of Moharram 1334 (November 23, 1915) the Sultan has empowered the Khalifa of Tetuan to issue exequaturs to foreign consuls in the Spanish zone.

Hereafter the commissions of foreign consuls and vice consuls in that zone shall be sent for their exequaturs to the Spanish high commissioner of Tetuan, in care of the representative of Spain at Tangier.

The commission of foreign consuls and vice consuls in the French zone shall likewise be sent for their exequaturs to the resident commissioner general of the Republic, Minister of Foreign Affairs of the Sultan at Rabat.

The letters of credence of diplomatic agents and consuls general hereafter appointed shall be handed to the Sultan at Rabat or if the officer is unable to proceed to Rabat he shall send his letters to the Sultan's Minister of Foreign Affairs. The day on which the said letters of credence are delivered or the date of the acknowledgment of receipt of the said letters will hereafter determine the diplomatic agent's precedence at Tangier.

The Government of the Republic would attach great value to receiving notice that the Federal Government consents to conform with the foregoing and act accordingly, either when it sees fit to close its Legation at Tangier or with respect to the consuls and vice consuls whom it may appoint in that city and the French zone of the Shereefian Empire.

Be pleased [etc.]

JUSSERAND

File No. 702 0081/2

The Spanish Ambassador to the Secretary of State

[Translation]

SPANISH EMBASSY,

Washington, February 15, 1916.

MR. SECRETARY: By direction of my Government I have the honor to inform your excellency that under date of November 23, 1915, and as a result of negotiations carried on to that effect between the Governments of His Majesty and of the French Republic, Sultan Muley Yusef provided Prince Muley el Mehedi with a general power by virtue of which he will grant exequaturs to foreign consuls appointed in the Spanish zone.

His Majesty's Government further directs me to inform your excellency of the expediency of sending to Tetuan the commissions of the consuls of the United States in the Spanish zone of Morocco appointed since March 30, 1912, and hereafter to be appointed; the commissions might also be sent, if found preferable, to the Ministry of State at Madrid whence they would be forwarded to the high commissioner at Tetuan who would see that they are given the proper course.

In having the honor of making this known to your excellency,

I avail [etc.]

JUAN RIAÑO

File No. 702.0081/1

*The Secretary of State to the French Ambassador*DEPARTMENT OF STATE,
Washington, March 8, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of January 16, 1916, containing certain statements relative to the issuance of exequaturs to consuls in Morocco.

This matter will receive the careful attention of the Department.

Accept [etc.]

ROBERT LANSING

File No 702.0081/2

*The Secretary of State to the Spanish Ambassador*DEPARTMENT OF STATE,
Washington, March 8, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of February 15, 1916, containing certain statements relative to the issuance of exequaturs to consuls in Morocco.

This matter will receive the careful attention of the Department.

Accept [etc.]

ROBERT LANSING

NICARAGUA

INTEROCEANIC CANAL TREATY BETWEEN THE UNITED STATES AND NICARAGUA;¹ PROTESTS OF COLOMBIA, COSTA RICA AND SALVADOR IN RELATION THERETO; SUIT OF COSTA RICA AND SALVADOR AGAINST NICARAGUA BEFORE THE CENTRAL AMERICAN COURT OF JUSTICE; ATTITUDE OF HONDURAS. ATTITUDE OF THE UNITED STATES.

File No. 817.812/147

The Minister of Costa Rica to the Secretary of State

[Translation]

LEGATION OF COSTA RICA,
Washington, February 2, 1916.

MR. SECRETARY: Great and well founded was the surprise I experienced this evening on reading in to-day's Washington paper, *The Evening Star*, the news that the Senate Committee on Foreign Relations had favorably reported to that high body the treaty for the construction of an interoceanic canal and other purposes concluded more than a year ago by his excellency the Honorable Secretary of State, W. J. Bryan, with the most excellent the Minister of Nicaragua, General Don Emiliano Chamorro.

It is not yet a month, Mr. Secretary, since the Most Excellent the President of the United States delivered before a thousand and more delegates of the several nations with which this continent is divided the most telling and admirable speech on the proper way of understanding Pan Americanism, on the utter respect to be paid by all our Republics to the rights of each and every one of them and on the perfect equality that must prevail in their intercourse.²

Scarcely a week before your excellency had deigned to put in my hands a draft of a Pan American treaty which embodies in pertinent and appropriate clauses the noble and redeeming ideas so masterly uttered by the Most Excellent President Wilson on the memorable evening of January 7 last.

In view of those precedents your excellency will admit that it was not logical to suppose that this Government would offer to carry through a treaty one of the parties to which, Nicaragua, is expressly inhibited from concluding it, the inhibition being solemnly pronounced by the very President of the other Party, the United States.

A treaty which carries flagrant violation of the rights of a third Party, Costa Rica, and against which my Government has lodged reiterated protests with the Department of State.

The United States in dealing with Nicaragua in this case has done so with a disqualified party, and ignorance of such incapacity cannot be pleaded since it is of record in the archives in the De-

¹ Continued from For. Rel. 1915, p. 1104.

² Address of President Wilson before the Second Pan American Scientific Congress at Washington, January 7, 1916, Daily Bulletin of the Congress, Department of State Library, JX1424C78c26, 1916/16.

partment of State that it was no less a personage than one of the Presidents of the Union that so declared.

Costa Rica does not and never did systematically oppose the advance of progress. She takes into full and fair account the fact that the ever growing needs that go with civilization demand that another interoceanic highway paralleled to the Panama Canal be opened to the commerce of the world in the near future and my country knows full well the laughable result to which her own resources would lead if she attempted to assume such a huge undertaking on her own account.

My Government further comprehends the incontrovertible reasons which make of the United States the one nation which is called upon to do that great service to mankind, but it wishes that end to be achieved without undergoing the humiliation attending the offensive disregard of her legitimate, indisputable and recognized rights that has been heretofore evinced.

Encouraged by the high sense of justice which so highly distinguishes the eminent mandatory who now guides the destinies of this great nation and you, his worthy and illustrious coworker, I respectfully ask your excellency to please take such steps as may be necessary to prevent the consummation of the treaty herein referred to until the stipulations laid down by the Most Excellent the President of the United States, the Honorable Grover Cleveland, in his award of March 22, 1888,³ shall have been observed.

It affords me [etc.]

MANUEL CASTRO QUESADA

File No. 817.812/151

The Minister of Colombia to the Secretary of State

[Translation]

LEGATION OF COLOMBIA,
Washington, February 6, 1916.

MR. SECRETARY: I have the honor to send your excellency a copy of an English translation of the award rendered by the President of France in the arbitration whose object was to define the boundary between the former Vice Kingdom of New Granada and the Captaincy General of Guatemala of which the colonial provinces of Nicaragua and Costa Rica formed part.

The award, as your excellency will see, clearly establishes Colombia's right of dominion over the Mangles Islands as well as all the other islands of the Mosquito archipelago which, together with the coast from Cape Gracias à Dios to Chagres, was separated from the Captaincy General of Guatemala and made part of the Vice Kingdom of New Granada by royal order of November 30, 1803. All the nations that were formerly Spanish colonies in America have accepted the principle of the *uti possidetis* rule, that is to say that the boundaries of the now independent States are the same that were assigned to the colonies by royal acts of the former sovereign. Nicaragua, in particular, expressly accepted that principle, as evidenced by the Treaty of 1825 between Colombia and the United Provinces of Central America of which Nicaragua was one. Article 5 of that

³ For. Rel. 1888, p. 456 et seq.

solemn covenant says that the contracting parties "guarantee one another the integrity of the respective territories—as they stood before the present War of Independence" that is, as they had been apportioned and defined by the Spanish sovereign.

Yet Nicaragua disposes of the Mangles Islands as if they were hers and leases them for 99 years to the United States, thus invading Colombia's perfect right of dominion and without heeding her reiterated protests.

My Government has directed me suitably to remonstrate to your excellency's Government, to the end that the said islands called "Great Corn Island" and "Little Corn Island" be excluded from any engagement already made or hereafter to be made by Nicaragua with the United States. I hereby enter, through your excellency, like protest in regard to the Mosquito Coast which is shown in the enclosed memorandum to be the property of Colombia, and which has been occupied by Nicaragua against the many protests of my Government.

I renew [etc.]

JULIO BETANCOURT

[Inclosure—Extract]

On February 8, 1913, the Government of Nicaragua closed with that of the United States a secret convention regarding the construction of an inter-oceanic canal, by route of the river San Juan and the Great Lake of Nicaragua, article number 2 of which is as follows:

To facilitate the protection of the Panama Canal and also the rights considered in the present convention and in order that the Government of the United States may dictate any special measure to the Government of Nicaragua with the end of protecting the interests herewith expressed, the Government of Nicaragua leases, in favor of that of the United States and for a term of ninety-nine years, the Islands of the Caribbean Sea, known as "Great Corn Island" and "Little Corn Island", and also agrees to accept the establishment of a naval base of the Government of the United States on the Gulf of Fonseca. At the expiration of this lease, the Government of the United States shall have the right to renew the present convention.

As soon as the Colombian Government had knowledge of the referred to convention, it protested, in its note of August 9, 1913,⁴ against the definite leasing of the Mangles Islands (Corn Islands), and renewed its former protest against the unlawful occupation that Nicaragua had been exercising during the last years in said territory which belongs to us. In accordance with the provision issued by the Committee of Foreign Affairs, it was communicated to the Colombian Minister at Washington that, in the form and at the moment in which he would deem it proper, he was to let the Government of the United States know that, regarding the Mangles Islands (Corn Islands), the signed agreement with Nicaragua could not be carried out because those islands belong to Colombia.

To the referred to note of our Chancery, the Government of Managua replied in a long communication, dated December 24, 1913,⁴ which is the one that has come to our attention and is the cause of the present report:

[NOTE.—Here follows an analysis of the history of the case.]

* * * * *

The arbitral award that His Excellency Emile Loubet, President of the French Republic, announced on September 11, 1900, in order to terminate the boundary litigation, declared, on the basis of documents, the probatory force of which remained solemnly established, the following:

As regards the most distant islands of the Continent and comprised between the Coast of Mosquitos and the Isthmus of Panama, especially Mangle Chico (Little Corn Island), Mangle Grande (Great Corn Island), Albuquerque Keys, San Andrés, Santa Catalina, Providencia, Escudo de Veraguas, as well as any other isles, islets and banks which before were depending on the old province of Cartagena, under the denomination of Canton of San Andrés, it is understood that the territory of those islands, without excepting any, belong to the United States of Colombia.

⁴ For. Rel. 1913, p. 1032.

This solemn award was given after a long and debated international litigation, upon the basis of innumerable authentic documents of juridical decisive force, presented before the arbiter by the Republic of Colombia, whose cause was defended by their excellencies Señor Don Francisco Silvela and Don Antonio Maura, ex-presidents of the Council of Ministers of Spain, and by Mr. Raymond Poincaré, now President of the Republic of France; the appreciation that such eminent personalities of the political world and of the forum, held of the titles and of the rights of Colombia—recognized by the sovereign who rendered the award as arbiter—, makes it of an incomparable international juridical value, and there will be no Government who would want to ignore the incontrovertible efficacy.

And much less the illustrious Government of the United States of America, who has made formal declarations upon the award of His Excellency Mr. Loubet, the execution of which and just interpretations of which were entrusted by Costa Rica to the Honorable Chief Justice of the United States, in the arbitral compromise with Panama, whom, however, Colombia does not and can not recognize, since it has bound the highest representative of the Judicial Power of the American Union. It does not seem reasonable that after this explicit official recognition—which could not be otherwise—, made by the Government of Washington upon the international permanent value of the declarations and territorial adjudications contained in the award given by the Chief Magistrate of the Republic of France, the Public Powers of the United States of North America, should accept from Nicaragua a perpetual lease of the Islands of Mangles (Great and Little Corn Islands), which the French Sovereign recognized and definitely declared were, in truth and in justice, as they are and have been, solely and exclusively the property of the Republic of Colombia.

File No. 817.812/263

The Minister of Costa Rica to the Secretary of State

LEGATION OF COSTA RICA,
Washington, February 8, 1916.

MR. SECRETARY: AS I had the honor to offer to your excellency, I am sending herewith a few copies of the memorandum⁵ prepared under instructions of this Legation as an argument in protest against the ratification of the Chamorro-Bryan Treaty, now before the Senate, without having first paid the regard due, by reasons of legal character, to the rights of Costa Rica, so much affected and violated by that treaty.

With expressions [etc.]

MANUEL CASTRO QUESADA

File No. 817.812/152

The Minister of Salvador to the Secretary of State

[Translation]

LEGATION OF SALVADOR,
Washington, February 9, 1916.

EXCELLENCY: I have the honor to inform your excellency that I have received special instructions to present to the Department over which your excellency worthily presides the following statement on the Treaty between the United States and Nicaragua, the ratification of which is at present pending in the United States Senate. In addition to the fundamental reasons set forth in the former protest of my Government of October 21st, 1913,⁶ I beg to present herewith the following equally cogent reasons which show that the above-

⁵ Not printed.

⁶ For. Rel. 1913, p. 1027.

mentioned treaty, by virtue of which it is proposed that the Government of Nicaragua grant the United States the right of establishing a naval base at Fonseca Bay, violates the Central American Conventions signed at Washington in 1907.

The negotiators of the Washington Conventions of 1907⁷ were chiefly concerned in ascertaining the best means for the preservation of peace and stability in Central America. With this noble end in view the neutrality of Honduras was stipulated by Article III of the General Treaty of Peace and Amity. This is an essential part of the Convention.

The physical fact of the central location of the territory of Honduras among the Republics of Guatemala, Salvador and Nicaragua has greatly aided the carrying on of revolutionary activities which have found a base of operations, so to speak, in the wide and sparsely populated stretches of Honduras.

It was on this ground that the neutrality of the territory of Honduras was considered to be the principal means of securing peace. This doctrine of the neutrality of Honduras was received by the Central American plenipotentiaries in obvious good faith and with great satisfaction; and the United States representatives who had labored earnestly to bring the Central American Conferences to a successful end, and who realized fully the importance and efficacy of this disposition of Central American affairs, warmly welcomed it as the happiest and most effective means of securing that peace that all desired and that was destined to be realized by the Central American Conferences.

As I have already stated to your excellency the permanent neutrality of Honduras was expressly guaranteed by Article III of the General Treaty of Peace and Amity signed at Washington, in the following terms:

Article III

Bearing in mind the central geographical position of Honduras and the facilities which this circumstance has afforded in order that its territory should have been most often the theater of Central American conflicts, Honduras declares from now on its absolute neutrality in any event of conflict amongst the other Republics; and the latter, in their turn, provided such neutrality be observed, bind themselves to respect it and in no case to violate the Honduran territory.

The underlying principle of permanent neutrality in the case of Honduras, as in every other case, is designed to impose upon the States recognizing or guaranteeing it the duty of considering themselves isolated or separated by the unpassable bridge of the neutralized territory, leaving them removed from such strategical points situated within the neutral zone as, for this very reason, should neither be occupied nor in any way taken advantage of by any one of them to obtain an advantage or constitute a menace against any of the others.

This principle of equality and impartiality applicable to coguarantor States is equally applicable to those who may be considered as in any way bound to each other and to the friends, the allies and the protectors of any one of them with respect to the others, whenever an attempt is made to violate it under the shadow of one of those

⁷ For. Rel. 1907, p. 692 et seq.

who should respect it. And this is true even though these allies, friends and protectors have neither guaranteed nor recognized the neutral status. In a word: What one of the coguarantors of the neutrality may not do on its own account, it may not do through the intermediary or for the benefit of another.

Neutrality means, in the case of those countries that respect it, that there will exist in the neutralized country a situation certain to afford to all its guarantors and neighbors the absolute inviolability of their frontiers.

The indivisible community of interests in Fonseca Bay alike by all the countries to which it belongs (Salvador, Honduras and Nicaragua) is sufficient to justify the rights of each to oppose any act of any other that threatens its safety; and all the more should this right in law and justice be considered unquestionable if it be borne in mind that Honduras should extend her neutrality to the center of Fonseca Bay. These two principles taken together—that of community of interests and that of neutrality—produce an absolute guaranty to the right of each and every one of the three countries to prevent any act of the others which shall infringe either the principle of community of interests or of that of neutrality.

Where, then, the provisions of the one, that is to say, of community of interests, do not cover, the prohibitions of the other, namely of neutrality, may well reach, thus constituting within the Bay an inviolable legal status guaranteeing the independence, the sovereignty and the safety of each of the States against any act of the others which shall attempt either to violate or threaten them. It is hard to imagine any limitation of the guaranties assured these three States by the juridical system created on the basis of these principles of community of interests and neutrality.

The Central American Conference at Washington in proclaiming the principle of neutrality of the Honduran territory naturally and logically believed that it had forever set at rest any disputes that might arise from questions in any way growing out of or connected with the neutralized and guaranteed territory. It must necessarily have believed that in extending the principle of neutrality to the whole territory of Honduras, it had introduced a principle of harmony and concord for the peaceful solution of all conflicts, even of such as might arise in the common waters of Fonseca Bay where the principle of neutralization should put an end to all anarchy, ambition and disorder from whatever source these may come.

It is an unquestioned principle of international law that a naval base, shipyard or military establishment located on a coast constitutes a threat against the neutrality of the waters controlled by the naval or military forces of the place where such base or establishment is located.

The proposed agreement between Nicaragua and the United States for the establishment of a naval base on the coast of Nicaragua in Fonseca Bay is an attempt to violate in a flagrant and open manner the principle of the neutrality of Honduras, and overturns the juridical basis which the Washington Conference established for the preservation of peace, order and harmony among the contracting States.

Now, neither Nicaragua nor the United States of America may legally threaten the neutrality of the coast line of Honduras within

the waters of the Bay, nor destroy the harmony of the *status jure* which necessarily exists there by reason of the indivisible community of interests of the territorial waters enclosed by the Bay. It would seem needless to add that Nicaragua may not justify the violation of the principle of the neutrality of Honduras seeing that she is one of the countries that discussed, approved and ratified the Washington Convention. And inasmuch as the United States of America acted in this convention, jointly with Mexico, as mediator, this convention may not be broken by either of these countries.

Inasmuch, too, as both the representatives of the United States of America and of Mexico affirmed in the preamble of the convention that they were present at all the deliberations, it is impossible to avoid admitting that by law the Governments of the United States of America and of Mexico did as a fact assume the character of mediators at this Conference.

Now the primary duty of a mediator is to see that the result of his mediation is observed, and hence to resist all acts that tend to nullify his award.

It is possible, therefore, to uphold the legal principle that the Republics of Guatemala, Salvador, Nicaragua and Costa Rica, by virtue of the Washington Treaty, have assumed the role of co-guarantors of the neutrality of Honduras, and it seems a natural and logical step to sustain the same principle in so far as the United States of America is concerned.

My Government has been greatly surprised at the fact that the Foreign Relations Committee of the United States Senate should have favorably reported the Treaty between the United States of America and Nicaragua to which this note has reference, without having previously defined and duly weighed the rights of Salvador in Fonseca Bay, as set forth in the protest to which reference had previously been made.

My Government has on this and prior occasions submitted to the Government of the United States of America a statement of the principles of law and justice on which the rights of Salvador are based. In urging these principles of law and justice, it is fulfilling its duty to defend the national integrity and its proper rights in Fonseca Bay, a duty imposed upon it by its constitution. It has previously, and does herewith sincerely, set forth those principles before the Government of the United States of America, moved by the faith which sacred respect for them inspires, and moved more particularly by the abiding faith inspired by the lofty ideals of justice and international good will which have ever guided the Government and people of the United States of America in their relations with the other Republics of this continent.

In presenting, on behalf of my Government, this statement to your excellency, I take pleasure in expressing the certain hope that the Government of the United States of America will discover the best means whereby the Nicaraguan Treaty may not be ratified until the inalienable rights of Salvador have been properly defined and duly weighed.

I have [etc.]

R. ZALDIVAR

who should respect it. And this is true even though these allies, friends and protectors have neither guaranteed nor recognized the neutral status. In a word: What one of the coguarantors of the neutrality may not do on its own account, it may not do through the intermediary or for the benefit of another.

Neutrality means, in the case of those countries that respect it, that there will exist in the neutralized country a situation certain to afford to all its guarantors and neighbors the absolute inviolability of their frontiers.

The indivisible community of interests in Fonseca Bay alike by all the countries to which it belongs (Salvador, Honduras and Nicaragua) is sufficient to justify the rights of each to oppose any act of any other that threatens its safety; and all the more should this right in law and justice be considered unquestionable if it be borne in mind that Honduras should extend her neutrality to the center of Fonseca Bay. These two principles taken together—that of community of interests and that of neutrality—produce an absolute guaranty to the right of each and every one of the three countries to prevent any act of the others which shall infringe either the principle of community of interests or of that of neutrality.

Where, then, the provisions of the one, that is to say, of community of interests, do not cover, the prohibitions of the other, namely of neutrality, may well reach, thus constituting within the Bay an inviolable legal status guaranteeing the independence, the sovereignty and the safety of each of the States against any act of the others which shall attempt either to violate or threaten them. It is hard to imagine any limitation of the guaranties assured these three States by the juridical system created on the basis of these principles of community of interests and neutrality.

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It is an unquestioned principle of international law that a naval base, shipyard or military establishment located on a coast constitutes a threat against the neutrality of the waters controlled by the naval or military forces of the place where such base or establishment is located.

The proposed agreement between Nicaragua and the United States for the establishment of a naval base on the coast of Nicaragua in Fonseca Bay is an attempt to violate in a flagrant and open manner the principle of the neutrality of Honduras, and overturns the juridical basis which the Washington Conference established for the preservation of peace, order and harmony among the contracting States.

Now, neither Nicaragua nor the United States of America may legally threaten the neutrality of the coast line of Honduras within

the waters of the Bay, nor destroy the harmony of the *status jure* which necessarily exists there by reason of the indivisible community of interests of the territorial waters enclosed by the Bay. It would seem needless to add that Nicaragua may not justify the violation of the principle of the neutrality of Honduras seeing that she is one of the countries that discussed, approved and ratified the Washington Convention. And inasmuch as the United States of America acted in this convention, jointly with Mexico, as mediator, this convention may not be broken by either of these countries.

Inasmuch, too, as both the representatives of the United States of America and of Mexico affirmed in the preamble of the convention that they were present at all the deliberations, it is impossible to avoid admitting that by law the Governments of the United States of America and of Mexico did as a fact assume the character of mediators at this Conference.

Now the primary duty of a mediator is to see that the result of his mediation is observed, and hence to resist all acts that tend to nullify his award.

It is possible, therefore, to uphold the legal principle that the Republics of Guatemala, Salvador, Nicaragua and Costa Rica, by virtue of the Washington Treaty, have assumed the role of co-guarantors of the neutrality of Honduras, and it seems a natural and logical step to sustain the same principle in so far as the United States of America is concerned.

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In presenting, on behalf of my Government, this statement to your excellency, I take pleasure in expressing the certain hope that the Government of the United States of America will discover the best means whereby the Nicaraguan Treaty may not be ratified until the inalienable rights of Salvador have been properly defined and duly weighed.

I have [etc.]

R. ZALDIVAR

File No. 817.812/153

The Minister of Costa Rica to the Secretary of State

[Translation]

LEGATION OF COSTA RICA,
Washington, February 21, 1916.

MR. SECRETARY: The many exacting occupations which in the world's present situation are now overwhelming your excellency surely prevented your devoting the needful time to a study of the note which I had the honor to address to you on the 2d instant protesting against the consummation of the Bryan-Chamorro Canal Treaty and of the memorandum on the subject published by the legation's counsel, Mr. Harry W. Van Dyke, of which I took the liberty to hand several copies to your excellency.

I say that surely your excellency has not yet been able to examine the said documents because, besides the fact that my above-mentioned note has not yet been honored with an answer, the Senate in the afternoon of the 18th of this month saw fit to clothe with its high approval the treaty which Costa Rica, insuperably in the right, had impugned.

No matter how great the respect and weight that belong to the opinion of the Senate, the favorable action it took on the negotiation does not in the least alter the nature of the case.

The Senate by endorsing the agreement signed by ex-Secretary Bryan could not in any way free that agreement from the fundamental defect which invalidates it, Nicaragua's incomplete capacity to conduct the business.

On this occasion the United States have dealt with an incompetent person, a person therefore that was not qualified to assume obligations and the convention by which the United States thought it had secured a right is nothing more—and the current phrase may justly be used here—than a mere scrap of paper.

Innocuous as the Senate's action may be in its effect on the merits of the case, it has nevertheless injected an element of notable change in the situation of Costa Rica; the injury which my Government protested was caused by the contemptuous slight of its rights in concluding unbeknown to it a convention about which it should have been consulted from the first has ceased to be a potentiality to be turned into a fact, a *fait accompli*. And inasmuch as the vital defect which invalidates the treaty and upon which my Government looks as a grave injury to the sovereign integrity of Costa Rica, dated from the very moment when the convention was negotiated, there is no remedial value in the clause inserted at the eleventh hour without the previous knowledge and therefore without the assent of the Legation, in the text of the convention to the effect of safeguarding the rights of other parties that have deemed themselves affected by the pact.

For many long months my Government has been actively engaged in opposing this consummation with that of your excellency and now that all its efforts have been in vain, there is but one resource left to me for the present, that of entering a formal protest against what

has been done pending the receipt of further instructions pointing out the best way, in my Government's judgment, to settle the very regrettable difficulty which now confronts us.

I beg [etc.]

MANUEL CASTRO QUESADA

File No. 817.812/154b

The Secretary of State to the Minister of Nicaragua

No. 17

DEPARTMENT OF STATE,
Washington, February 24, 1916.

SIR: I have the honor to inform you that the Senate of the United States in Executive Session on February 18, 1916, having under consideration the Treaty signed on August 8, 1914, by yourself and Mr. William J. Bryan, then Secretary of State, adopted, by a vote of fifty-five to eighteen, the following resolution:

Resolved (Two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the United States and Nicaragua, signed at Washington August fifth, nineteen hundred and fourteen, granting to the United States, in return for a money payment, the exclusive proprietary rights for the construction and operation of an interoceanic canal by a Nicaraguan route, the lease of certain islands, and the right to establish a naval base on the Gulf of Fonseca, with the following amendments, to wit:

In Article I, line two, after the words "United States", insert a comma (,) and the following words: "forever free from all taxation or other public charge," followed by a comma (,).

At the end of Article III strike out the period (.), and add the following: "or other public purposes for the advancement of the welfare of Nicaragua in a manner to be determined by the two High Contracting Parties, all such disbursements to be made by orders drawn by the Minister of Finance of the Republic of Nicaragua and approved by the Secretary of State of the United States or by such person as he may designate."

Provided, That, whereas, Costa Rica, Salvador and Honduras have protested against the ratification of said convention in the fear or belief that said convention might in some respect impair existing rights of said States: therefore, it is declared by the Senate that in advising and consenting to the ratification of the said convention as amended such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said convention is intended to affect any existing right of any of the said named States.

Article I, as amended by the Senate, will thus read:

The Government of Nicaragua grants in perpetuity to the Government of the United States, forever free from all taxation or other public charge, the exclusive proprietary rights necessary and convenient, etc., etc.

In the hope that the amendments to the Convention as made by the Senate of the United States may prove acceptable to the Government of Nicaragua, I avail myself of this opportunity to renew the assurances of my highest consideration.

ROBERT LANSING

File No. 817.812/156

The Minister of Nicaragua to the Secretary of State

[Translation]

LEGATION OF NICARAGUA,
Washington, February 28, 1916.

EXCELLENCY: I have the honor to acknowledge your excellency's note of the 24th instant, by which I am informed that the Senate of

the United States in executive session on February 18, 1916, having considered the Canal Treaty signed on August 5, 1914, by Mr. William J. Bryan, the then Secretary of State, and by me as representative of Nicaragua, approved the resolution of ratification by a vote of fifty-five votes for and eighteen against; this resolution is transcribed in your excellency's note.

Under express instruction, I have the pleasure of informing your excellency that my Government accepts the amendments to the treaty made by the Senate, which amendments were also included in your excellency's note of February 24, 1916; and that, consequently, the treaty as amended will be submitted by the Executive to the Senate of Nicaragua for ratification.

I avail [etc.]

EMILIANO CHAMORRO

File No. 817.812/153

The Secretary of State to the Minister of Costa Rica

No. 8

DEPARTMENT OF STATE,
Washington, March 1, 1916.

SIR: I have the honor of acknowledging the receipt of your notes of February 2, 8 and 21, 1916, in which you again protest on behalf of your Government against the treaty between the Government of Nicaragua and that of the United States, which was ratified by the United States Senate on February 18, 1916.

The views of the Department regarding the protest of Costa Rica against the treaty under consideration were set forth, at some length, in the Department's note of August 1, 1914,^{*} to Senor Don Joaquin Bernardo Calvo, then Minister of Costa Rica to the United States. Those views are believed to be applicable equally to the present protest, as embodied in your several notes under acknowledgment. I reiterate what was then said, namely, that the treaty was not designed and is not believed to infringe any right or interest of Costa Rica, or of any of the countries adjacent to Nicaragua. In this relation permit me to call your attention to a provision in the resolution of ratification of the convention passed by the United States Senate on February 18, 1916, as follows:

Provided: That whereas Costa Rica, Salvador, and Honduras have protested against the ratification of said convention in the fear or belief that said convention might in some respect impair existing rights of said States, therefore it is declared by the Senate that in advising and consenting to the ratification of the said convention as amended such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said convention is intended to affect any existing right of any of the said named States.

In the light of the declarations of the Departments in its note of August 1, 1914, referred to, and of the aforesaid explicit declaration by Congress, I am unable to perceive any ground for protest on the part of your Government.

In conclusion I beg leave to remind you that on December 1, 1900, Nicaragua and Costa Rica each executed a separate protocol of an agreement with the United States, whereby each of the said Governments separately became engaged to enter into negotiations with

^{*} For. Rel. 1914, p. 964.

the United States to settle the details of agreements found necessary to accomplish the ownership and control by the United States of an interoceanic canal route from San Juan del Norte to the Pacific Ocean. The agreement contemplated by the said protocol with Nicaragua has in part at least been embodied in the treaty under discussion, and, since the Government of the United States has indicated its willingness to enter into negotiations for the concluding of a treaty of similar nature with the Government of Costa Rica, I am not able to perceive wherein the treaty which has been concluded with Nicaragua can be thought to effect adversely any existing right of the neighboring Republics or to indicate an intent upon the part of the United States to ignore the Government of Costa Rica.

Accept [etc.]

ROBERT LANSING

[NOTE.—The protocol of December 1, 1900, referred to above follows.]

[Inclosure 1]

Treaty Series No. 64

PROTOCOL OF AN AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND OF COSTA RICA IN REGARD TO FUTURE NEGOTIATIONS FOR THE CONSTRUCTION OF AN INTER-OCEANIC CANAL BY WAY OF LAKE NICARAGUA

Signed at Washington, December 1, 1900.

It is agreed between the two Governments that when the President of the United States is authorized by law to acquire control of such portion of the territory now belonging to Costa Rica as may be desirable and necessary on which to construct and protect a canal of depth and capacity sufficient for the passage of vessels of the greatest tonnage and draft now in use, from a point near San Juan del Norte on the Caribbean Sea, via Lake Nicaragua to Brito on the Pacific Ocean, they mutually engage to enter into negotiations with each other to settle the plan and the agreements, in detail, found necessary to accomplish the construction and to provide for the ownership and control of the proposed canal.

As preliminary to such future negotiations it is forthwith agreed that the course of said canal and the terminals thereof shall be the same that were stated in a treaty signed by the Plenipotentiaries of the United States and Great Britain on February 5, 1900, and now pending in the Senate of the United States for confirmation, and that the provisions of the same shall be adhered to by the United States and Costa Rica.

In witness whereof, the undersigned have signed this protocol and have hereunto affixed their seals.

Done in duplicate at Washington this first day of December, 1900.

JOHN HAY [SEAL]
J. B. CALVO [SEAL]

[Inclosure 2]

Treaty Series No. 260

PROTOCOL OF AN AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND OF NICARAGUA IN REGARD TO FUTURE NEGOTIATIONS FOR THE CONSTRUCTION OF AN INTER-OCEANIC CANAL BY WAY OF LAKE NICARAGUA

Signed at Washington, December 1, 1900.

It is agreed between the two Governments that when the President of the United States is authorized by law to acquire control of such portion of the territory now belonging to Nicaragua as may be desirable and necessary on

which to construct and protect a canal of depth and capacity sufficient for the passage of vessels of the greatest tonnage and draft now in use, from a point near San Juan del Norte on the Caribbean Sea, via Lake Nicaragua to Brito on the Pacific Ocean, they mutually engage to enter into negotiations with each other to settle the plan and the agreements, in detail, found necessary to accomplish the construction and to provide for the ownership and control of the proposed canal.

As preliminary to such future negotiations it is forthwith agreed that the course of said canal and the terminals thereof shall be the same that were stated in a treaty signed by the plenipotentiaries of the United States and Great Britain on February 5, 1900, and now pending in the Senate of the United States for confirmation, and that the provisions of the same shall be adhered to by the United States and Nicaragua.

In witness whereof, the undersigned have signed this protocol and have hereunto affixed their seals.

Done in duplicate at Washington, this first day of December, 1900.

JOHN HAY [SEAL]
LUIS F. COREA [SEAL]

File No. 817.812/179

The Minister of Nicaragua to the Secretary of State

[Translation]

LEGATION OF NICARAGUA,
Washington, March 6, 1916.

EXCELLENCY: I have especial instructions from my Government to communicate to your excellency that the Executive of Nicaragua has today called a special session of Congress, with the object of considering, among other things, the Canal Treaty between the Republic of Nicaragua and the United States, already approved by the American Senate.

My Government informs me that the members of Congress are favorably disposed to the ratification of the treaty, in general, but there have arisen among them certain doubts respecting the actual sense and comprehension of the treaty, that is whether its real interpretation is that of an option or of a definitive sale of the canal route.

As this will be the most important point to be discussed regarding the treaty in Congress, my Government has considered it wise, in order not to abide alone by its own interpretation, to request that I ask of your excellency a statement as to the interpretation of the Government of the United States of the said treaty.

In order to present the reasons which Nicaragua has for considering the treaty as a simple option conceded to the United States for the construction of an interoceanic canal by the route through its territory, I take the liberty of making in this note certain references to the history of the negotiation.

In the several conferences between the Minister of Foreign Relations and Minister Weitzel, in the presence of the President of Nicaragua, with the object of carrying out the Canal Treaty of February 8, 1913 the Minister for Foreign Relations called the attention of the American Diplomatic representative to the protocol signed December 9, 1901, between Dr. Fernando Sanchez, the Nicaraguan Minister, and Mr. William Lawrence Merry, the Minister of the United States, in which there was given a lease of the exclusive right

to construct a canal through Nicaragua in the sum of six million dollars, American currency. Minister Weitzel declared that said concession was definitive, and that what they were then discussing was merely a simple option which gave to Nicaragua a further indemnity from the United States upon negotiations to fix the conditions under which the said canal was to be constructed.

Later when this treaty, called the Weitzel-Chamorro treaty from the names of the diplomatic representatives who signed it, was submitted to the Nicaraguan Congress, its true interpretation was warmly discussed, and the Committee on Foreign Relations, in order to clear up the discussion, proposed to Minister Weitzel a series of questions which, together with their respective answers, I attach hereto.⁸ As your excellency will note Minister Weitzel recognized, by these replies, that what was signed was a treaty of a simple option.

In addition to this, Secretary of State Mr. Bryan gave the same interpretation to the clauses of the Convention mentioned, in his note of June 24, 1913,⁹ in reply to my communication dated the 5th of the same month and year,¹⁰ in which I stated, "that the Convention of February 8, 1913, is not properly speaking a definite contract for the canal, but merely an option regarding the rights which the United States might exercise upon the possible construction of an inter-oceanic canal through the territory of Nicaragua," and I referred to the reply which Nicaragua made to Costa Rica upon the latter's protest to the signing of that Convention.

In this connection I would advise—and this is a point of the utmost importance, respecting which I desire to call your excellency's valued attention—that if instead of an option it is intended to treat of a definitive Canal Treaty, there should have been taken into account, before the signing of the Canal Convention, the "*Tratado de Limites*" of 1858, between Nicaragua and Costa Rica, in order to hear the opinion of the latter concerning difficulties which the transaction would have occasioned both countries, a requisite not considered necessary to observe because the contracting parties believing the pact to be a mere option, realized that the rights of Costa Rica could in no way be injured by it.

If it is true that the Treaty of February 8, 1913 was afterwards amended on 5th of August, 1914, it must necessarily be taken into consideration that in interpreting the latter there existed always in treating of its clauses the same spirit in which the former was negotiated, so that the understanding of Nicaragua has always been the same, that is, that of considering the treaty a simple option.

My Government believes that a statement of your excellency to the effect that the Government of the United States interprets the Canal Treaty in the same sense as Nicaragua, besides eliminating in the future all cause for controversy as to the interpretation of the Canal Treaty, will contribute at this time to effectually smooth out any difficulty which might arise from the doubts of the members of the Nicaraguan Congress.

In view of the foregoing I beg that your excellency will be good enough to accede to the wishes of my Government, in order to assist

⁸ Not printed.

⁹ For. Rel. 1913, p. 1024.

¹⁰ Idem, p. 1023.

the latter in its efforts to obtain the ratification of the treaty in the Nicaraguan Congress.

I avail myself [etc.] _____

EMILIANO CHAMORRO

File No. 817.812/179

The Secretary of State to the Minister of Nicaragua

No. 19

DEPARTMENT OF STATE,
Washington, March 11, 1916.

SIR: I have the honor to acknowledge the receipt of your communication of the 6th instant, in which, pursuant to instructions from your Government, you inform me that the Executive of Nicaragua has on that day called a special session of the Congress of that country with the object of considering, among other things, the Canal Treaty between your Government and that of the United States.

In reply to your request as to the interpretation by the Government of the United States of the provisions of this treaty, permit me to inform you that President Taft, when submitting the Canal Convention between the United States and Nicaragua of 1913 to the United States Senate for its action, spoke of the Convention as giving to the United States "the exclusive option in perpetuity to construct an interoceanic canal by the Nicaraguan route"; and, later, Secretary Bryan alluded to that Convention as an option.⁹ While the Convention of 1914 differs somewhat from that of 1913, as is to be observed by an inspection of the language employed in the two conventions respectively, still it is not definitive in certain respects and possess the feature of an option in that it leaves to future consultations by the two Governments the settlement of the details of the terms upon which the canal shall be constructed.

In this relation I desire to call your attention to a proviso in the resolution of ratification adopted by the United States Senate on February 15, 1916, as follows:

Provided, That whereas Costa Rica, Salvador, and Honduras have protested against the ratification of said convention in the fear or belief that said convention might in some respect impair existing rights of said States, therefore it is declared by the Senate that in advising and consenting to the ratification of the said convention as amended such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said convention is intended to affect any existing right of any of the said named States.

This amendment, it would seem, should set at rest all complaint upon the part of the Government of Costa Rica that they had not been consulted before the conclusion of the convention.

Accept [etc.] _____

ROBERT LANSING

File No. 817.812/182

The Secretary of State to the Minister of Salvador

DEPARTMENT OF STATE,
Washington, March 13, 1916.

SIR: I have had the honor to receive your note of February 9, 1916, in which, pursuant to instructions of your Government, you

⁹ For. Rel. 1913, p. 1024.

again protest against the Canal Convention entered into between this Government and that of Nicaragua.

The points relied on in your note in support of the protest of your Government (and these are in addition to the reasons set forth in a former protest of Salvador dated October 21, 1913⁶), are:

1. That the Treaty concluded between the United States and Nicaragua impairs the principle underlying the permanent neutralization of Honduras by the Treaty of Peace and Amity concluded between the Central American Governments at Washington in 1907;

2. That Salvador, Honduras and Nicaragua have common and indivisible interests in the Bay of Fonseca giving to each of those countries the right to oppose the act of any other which threatens its safety, and that the Treaty between the United States and Nicaragua threatens the safety of Salvador.

These contentions find expression in the following excerpts from your note under acknowledgment:—

The indivisible community of interests in Fonseca Bay shared alike by all the countries to which it belongs (Salvador, Honduras and Nicaragua) is sufficient to justify the rights of each to oppose any act of any other that threatens its safety.

And again:—

It is an unquestioned principle of international law that a naval base, shipyard or military establishment located on a coast constitutes a threat against the neutrality of the waters controlled by the naval or military forces of the place where such base or establishment is located.

The proposed agreement between Nicaragua and the United States for the establishment of a naval base on the coast of Nicaragua in Fonseca Bay is an attempt to violate in a flagrant and open manner the principle of the neutrality of Honduras, and overturns the juridical basis which the Washington conference established for the preservation of peace, order and harmony among the contracting states.

Charges which impute to the Government of the United States an attempt to disrupt the political relations and the *status jure* existing between the Central American Governments are not to be passed over lightly. Happily this Government has no such design and there is no ground for asserting that the Treaty which the United States has concluded with Nicaragua threatens the safety of any of the Central American States.

The recitations in Article 3 of the Treaty of Peace and Amity to which your note refers reflect the occasion, as well as the object, of the so-called neutralization of Honduras.

Article 3. Bearing in mind the central geographical position of Honduras and the facilities which this circumstance has afforded in order that its territory should have been most often the theater of Central American conflicts, Honduras declares from now on its absolute neutrality in any event of conflict amongst the other republics; and the latter, in their turn, provided such neutrality be observed, bind themselves to respect it and in no case to violate the Honduran territory.

I am not able to appreciate a contention that the right granted by Nicaragua to the United States to construct a naval base at the Bay of Fonseca, or for that matter the construction of such a naval base, would tend in any degree to render the territory of Honduras the theater of Central American conflicts, or to tempt Honduras to depart from her attitude of neutrality in possible conflicts between

⁶ For. Rel. 1913, p. 1027.

her neighbors. I shall not entertain the thought that it was intended by the protest to impute to the Government of the United States a design to employ the rights granted to it by the treaty under consideration to favor one of the Central American Governments to the injury of another.

In this relation I direct your attention to a proviso to be found in the resolution adopted by the United States Senate on February 12, 1916, giving its consent to the ratification of the Treaty with Nicaragua as follows:—

Provided, That whereas Costa Rica, Salvador and Honduras have protested against the ratification of said convention in the fear or belief that said convention might in some respect impair existing rights of said States, therefore it is declared by the Senate that in advising and consenting to the ratification of the said convention as amended such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said convention is intended to affect any existing right of any of the said named States.

If any doubt remained as to the absence of design on the part of the Government of the United States in concluding the convention with Nicaragua to impair or ignore any right of Salvador that doubt should now be removed by this explicit declaration of the Senate of the United States at the time of giving its consent to the ratification of the treaty under consideration.

Accept [etc.]

ROBERT LANSING

File No. 817.812/178

Minister Long to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,

San Salvador, March 26, 1916, 4 p. m.

Yesterday Julio Acosta, Minister for Foreign Affairs of Costa Rica, who is on special mission here, advised me he had just received from San José a telegram announcing that his Government on Friday last arraigned Nicaragua before the court at Cartago in connection with Nicaraguan treaty. Details of indictment or when trial will be held not now obtainable here.

LONG

File No. 817.812/180

The Chargé d'Affaires of Costa Rica to the Secretary of State

[Translation]

LEGATION OF COSTA RICA,

Washington, March 27, 1916.

MR. SECRETARY: I am under special instructions to apprise your excellency that the Government of Costa Rica has brought suit against the Republic of Nicaragua before the Central American Court of Justice.

The *res litis* is the Bryan-Chamorro Convention between the United States and Nicaragua concluded August 5, 1914, and approved by the American Federal Senate on February 18 last, whose

negotiation and consummation without the requisite advice and consent of Costa Rica are construed by the last named Republic to be in flagrant violation of her rights and sovereign integrity as stated in the protest lodged with the Department of State by the Legation under dates of February 2 and 21 last.

I beg [etc.]

RAFAEL OREAMUNDO

File No. 817.812/178d

The Secretary of State to Minister Hale

[Telegram]

DEPARTMENT OF STATE,
Washington, March 27, 1916, 6 p. m.

Press reports state that Costa Rica has instituted suit against Nicaragua before Central American Court of Justice on the ground that the Canal Treaty between Nicaragua and the United States constitutes a violation of Costa Rica's rights.

Report by cable present status and developments as they occur, keeping Legation Managua fully informed.

LANSING

File No. 817.812/181

The Minister of Salvador to the Secretary of State

[Translation]

LEGATION OF SALVADOR,
Washington, March 28, 1916.

EXCELLENCY: In compliance with instructions received from my Government I have the honor to enclose herewith a certified copy of note No. 177 of March 3, 1916, in which the Minister of Foreign Relations, Doctor Don Francisco Martinez Suarez replied to the communication of the Chargé d'Affaires of the United States in Salvador, dated February 21, 1916, informing the Government under instructions from the Department under your worthy charge, of the ratification by the American Senate of the Treaty between the United States and Nicaragua.

I take this opportunity [etc.]

R. ZALDIVAR

[Inclosure—Translation]

The Minister of Foreign Relations to Chargé Tennant

DEPARTMENT OF FOREIGN RELATIONS,
San Salvador, March 3, 1916.

MR. CHARGÉ D'AFFAIRES: The Department is in receipt of your courteous communication, in which you state that, acting under instructions from the Department of State, you are informing my Government that, under date of the 18th of last month, the Senate of the United States, by a vote of 55 to 18, consented to the ratification of the Nicaraguan Treaty, with certain amendments which you have the courtesy to point out, the third of these being as follows:

Provided, That whereas Costa Rica, Salvador and Honduras have protested against the ratification of said convention in the fear or belief that said convention might in some respect impair existing rights of said States, therefore it is declared by the Senate that in advising and consenting to the ratification of the said convention as amended, such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said convention is intended to affect any existing right of any of the said named States.

In taking note of your courteous information, my Government feels that it would be failing in the discharge of a prime duty not to offer some pertinent comments in a matter of such importance, not only as an effective safeguard for its rights, but also to be consistent with the loyalty that governs its diplomatic relations with the United States Government.

First of all, my Government expected from the high sense of justice of the Government of the United States, that the negotiation of the treaty, pending the ratification of the Senate could not be completed while its protests against said treaty, lodged in due and proper time had not been disposed of.

This hope rested mainly in the assurance that your Government would give ample consideration to the facts presented by my Government in its last protest, to the effect that the Nicaraguan Treaty also violates the neutralization of the Honduran territory, which is one of the reasons for the existence of the Central American Conventions made in the city of Washington on the 20th of December 1907.

My Government believes, Sir, that the Nicaraguan Treaty has no legal basis to constitute legitimate rights, because it is manifestly contrary to the treaties in force and the principles of international law, and, consequently, to the justice and consideration that nations must adhere to in their friendly relations.

The object of the General Treaty of Peace and Amity, which is the main foundation of said conventions, is the maintenance of peace in Central America as the only possible means of accomplishing the lofty ends sought by the Central American Conference which met in Washington in 1907. It is thus set forth in Article I of said diplomatic document, in which the five Central American Republics do solemnly declare that they consider as a duty that cannot be disregarded in their mutual relations, the maintenance of peace by such means as are provided to that end. The first of these means should be to secure in said Republics the benefits which are derived from the maintenance of their institutions, contributing at the same time to the strengthening of their stability and the prestige with which they ought to be surrounded, and in order to attain such lofty ends it is declared in Article II that every disposition or measure which may tend to alter the constitutional organization in any of them is to be deemed a menace to the peace of the five Republics. Now, therefore, constitutional organization may be altered in many ways; but there is no possible doubt that the most menacing, grave and dangerous manner of making such alteration, is the extraordinary occurrence in America that a strange, strong and powerful nation should seize a portion of Central American territory to establish therein a military control, which undoubtedly would shortly create political control over all the dismembered country as the only practical means whereby the military power imbedded in such territory could become strong and secure. The domain, sovereignty and jurisdiction of the dismembered country thus impaired, it is evident that the constitutional organization must be profoundly altered, as the establishment of the constitution or constitutional organization has as its principal end the free exercise of sovereignty and the unimpaired integrity of its territory. When a powerful nation seizes even a small portion of the territory of a weak country, the line of demarkation of the exercise of both sovereignties cannot be determined, morally, although they might be marked physically; as it is impossible that the stronger power should cease to enlarge constantly the sphere of its control, its influence and its interests, at the expense of the weaker country, and this even in the absence of ambitious tendencies, as the mere effect of a natural and logical tendency and the necessity of maintaining the security and stability of the military or political establishment which the powerful country is trying to create. The instinct of self-defense will compel the powerful one, as an unavoidable necessity, to enlarge constantly the sphere of its control, either by seizing the strategic points that may be a menace to the safety of its military base or by controlling the political and even the financial interests of the weak country that might cause annoyance abroad or at home, which might compromise the security and existence of the zone that the powerful country reserves to itself, even if such zone has been mathematically marked out. The tendency to invade under such circumstances, is a fact established beyond doubt by the history of the colonization of the European nations in America, Asia and Africa, from the 15th century to our day. There is no doubt that the political Constitutions of the States of America, in order to stop such encroachments, which are always dangerous, have forbidden, as the Constitution of Nicaragua emphatically forbids in its Article 2—the alienation to a strange nation of any portion of the national territory; since the intrusion of a strange sovereignty

would alter the organization that the Constitution safeguards in an effective and transcendent matter by the exclusion of foreign Powers because of the constitutional principle of the inalienability of the territory of the nation. It is undoubtedly for this reason that the illustrious President Monroe declared in 1823 that

the United States would consider any attempt on the part of the European Powers to extend their political system to any portion of this hemisphere as dangerous to their peace and safety; that the American continents by the free and independent condition which they have assumed and maintain are henceforth not to be considered as subjects for future colonization by any European Power; and that the United States would never view any interposition for the purpose of oppressing or controlling in any manner the destiny of those nations, by any European Power, in any other light than as the manifestation of an unfriendly disposition toward the United States.

Thus, the Monroe Doctrine is based on the right of self-defense and the safety of the country which proclaimed the principle; and in this sense, it is permissible to say, that Article II of the General Treaty before mentioned, inasmuch as it provides in the inalterability of the constitutional organization of the Central American States a means to prohibit the alienation or colonization of their respective territories, is as valid as the famous Doctrine, and rests upon the same principle, the right of safety of nations. Therefore, any action or measure taken by a Central American State which may alter its constitutional organization, because it alienates its territory, and allows the introduction therein of the sovereignty of a strange Power, is a flagrant violation of the express fundamental principle upon which rests the General Treaty of Peace and Amity, even when such alienation or colonization of a portion of its territory should appear in the form of a secular lease. The alteration of the constitutional organization of Nicaragua is so plain and evident with the establishment of the naval base created by the Treaty, that Article II of said instrument reads as follows:

and the Government of Nicaragua further grants to the Government of the United States for a like period of 99 years the right to establish, operate, and maintain a naval base at such place on the territory of Nicaragua bordering upon the Gulf of Fonseca as the Government of the United States may select. The Government of the United States shall have the option of renewing for a further term of 99 years the above lease and grants upon the expiration of their respective terms, it being expressly agreed that the territory hereby leased and the naval base which may be maintained under the grant aforesaid shall be subject exclusively to the laws and sovereign authority of the United States during the terms of such lease and grant and of any renewal or renewals thereof.

The alteration of the constitutional organization of Nicaragua could not be more evident, as a portion of its territory is separated from its own sovereignty, to be subject to the control and sovereignty of the United States.

Moreover, by the second amendment of the Senate, the Government of the United States reserves to itself a complete and absolute control of the object, form and determination of the disbursement of the three million dollars granted as compensation to the Nicaraguan Government, and the allotments made by the Government of the United States to that Republic shall be disbursed upon orders drawn by the Minister of Finance of Nicaragua and approved by the Secretary of State of the United States or by such person as he may designate. All of this impairs the sovereignty of Nicaragua, subjects the same to a strange supervision and does alter, most undoubtedly, the constitutional organization of Nicaragua, which rests on the principle of absolute independence of the Government of the nation, and the inalienable integrity of the national territory.

But it is not only the Washington Conventions that have been so gravely violated by the contracting parties by the establishment of a naval base. It is also a violation of Article III of said General Treaty of Peace and Amity which establishes the civilized and pacifist principle of the neutralization of the territory and the waters of Honduras, as one of the noblest and most useful conquests aimed at by said conventions. The manner and the extent to which the neutrality of Honduras has been consecrated, necessarily implies that all the consequences growing out of the principles of international law in respect to the permanent neutralization of States should be applied in this case. Neutrality—which is one of the judicial forms adopted to maintain the right of safety of nations—imposes on the country guaranteeing it the inevitable obligation of not violating such state of neutrality by any act whatever that may menace or destroy such State, no only within the neutral zone, but even beyond it and in the very territory of the State which is a coguarantor; and it cannot be doubted that the establishment of a naval base in the proximity or in the maritime zone of the neutralized territory, is an act of violation.

It has always been thus understood in international practice, as shown by many instances, and it is a recognized and respected principle that the neu-

trality of the navigable waters creates for the riparian States the obligation of not fortifying their own coast. It has thus been declared by the European Powers at the Congress of Paris in 1856 in Article 13 of the Treaty of March 30, as follows:

The Black Sea, being neutralized in accordance with the provisions of Article XI, the maintenance or establishment on its coasts of military and naval arsenals is unnecessary and has no object and consequently His Majesty the Emperor of all the Russias, and His Imperial Majesty the Sultan agree not to establish or maintain on said littoral any military or naval arsenal.

The neutralization of the Baltic Sea was also established in that Congress as follows:

His Majesty the Emperor of all the Russias, responding to the desire expressed by their Majesties the Emperor of France and the Queen of the United Kingdom of Great Britain and Ireland, declares that the Aland Islands shall not be fortified and that no military or naval establishment shall be maintained or created thereon.

And more recently Germany and France upon exchanging the territories mutually ceded in Central Africa, agreed to neutralize the waters of the great rivers which flow through them and to this end they stipulated in the agreement called Congo Agreement, of November 4, 1911, Article 9, as follows:

France and Germany, desiring to strengthen their good relations in their possessions in Central Africa, agree not to construct any fortified place along the river courses, which shall be open to both countries for purposes of navigation. This stipulation shall not apply to forts whose sole object is to protect the posts against the attacks of the natives.

On April 8, 1904 France and England brought to an end their differences over the grave and complicated Morocco question, by means of a diplomatic act which has been called *L'Entente Cordiale*. Article 7 of said Convention reads as follows:

In order to secure the free passage of the Straits of Gibraltar, the two Governments agree not to permit the erection of any fortifications or strategic works on that portion of the coast of Morocco, comprised between, but not including, Melilla and the heights which command the right bank of the River Sebon. This condition does not, however, apply to the places at present in the occupation of Spain on the Moorish coast of the Mediterranean.

The British Government considered such stipulation as a compensation for the similar stipulation insuring the neutrality of the Suez Canal, and the question of the Straits of Gibraltar has always been considered by England as of vital importance to its commercial and strategic interests. It is thus established beyond peradventure that, in conformity with the principles and usages of international law, the fortification of places near neutralized territories or waters is clearly prohibited, as a menace to the existence of the state of neutrality. Therefore, the Government of Nicaragua could not authorize the establishment of a naval base, which practically is a menace to the safety of the contiguous neutralized territory. Neither can it be licit for the United States to infringe on Honduran neutrality as the character of mediators they assumed at the Central American Conference of Washington, forbids them to infringe the stipulations of the treaties signed through their own advice and mediation; to act otherwise would be in opposition to their duty as mediators.

Therefore, the fact that the naval base in the Gulf of Fonseca invalidates the fundamental principles of the Washington Conventions, renders nugatory the stipulations in the Chamorro-Bryan Treaty, and invalidates whatever rights the United States may claim because of said stipulations.

The principles of international law referring to the right of safety of nations would also be impaired, because in accordance with such principles, no State can perform any act whatever which may menace the safety of others, and this obligation becomes more strict and imperative if the act which constitutes a menace is performed at a place which, as in the case of the waters of the Gulf, constitutes juridically a state of indivision and joint ownership which would be impaired to the prejudice of States which, as Salvador and Honduras, have not given their consent to the establishment of a naval base in common waters. The danger to the riparian States resulting from the naval base in the Gulf, cannot be doubted, and the State or States which intend to create such menace to the safety of the other States by this sole act, violate the principles of natural law, which is equally compulsory among nations as among individuals. It would be an easy matter to quote a number of cases showing that the danger menacing the safety of a country has given such country the indisputable right to oppose the creation of such situation in fact. The opposition of France and England to the establishment by Germany of a naval base at Agadir, in 1911, is in recent days the most characteristic instance in this matter which is of the highest judicial and moral order.

Therefore, the flagrant contradiction between the stipulations of the Chamorro-Bryan Treaty and the principles of international law which justify the juridical situation of the Gulf of Fonseca, is another irrefutable reason for holding as invalid and void of any legal value the rights which might be claimed under said pact.

If the Government of the United States, as I do not doubt, is to give a practical and effective value to the amendment of the Senate, which does not desire the existing rights of Salvador to be impaired, it has no other means of satisfying such legitimate rights of safety, sovereignty and joint ownership than to renounce the idea of establishing in the Gulf of Fonseca any military base or establishment whatever.

In view of the foregoing considerations which are submitted with due courtesy to the enlightened Government of the United States, this Department formally declares: that it does not recognize the validity of the Nicaraguan Treaty, establishing a naval base in the Gulf of Fonseca, and that, in consequence, the Government of Salvador, at all times will make use against such treaty of all the means and remedies that the conventions in force, international law and justice will afford to invalidate its effects.

I beg to renew [etc.]

F. MARTINEZ SUAREZ

File No. 817.812/183

The Secretary of State to Minister Jefferson

[Telegram]

DEPARTMENT OF STATE,
Washington, March 30, 1916, 4 p. m.

Your March 29, 2 p. m. Nicaraguan Government informs Minister Chamorro that, at your suggestion, it awaits the originals of the amendments to the Canal Convention before submitting the treaty to Congress.

On February 19 the amendments to the treaty and the proviso adopted by the Senate were textually telegraphed you for communication to the President. There therefore appears no reason to delay action. Report by cable.

LANSING

File No. 817.812/184a

The Secretary of State to Minister Long

[Telegram]

DEPARTMENT OF STATE,
Washington, March 30, 1916, 7 p. m.

Convention of Central American Governments for establishment of Central American Court of Justice concluded at Washington December 20, 1907, was long subsequent to the binding agreements of Nicaragua and Costa Rica, respectively, to enter into necessary arrangements with United States for construction of Nicaraguan Canal as embodied in the protocols signed by each of said Governments December 1, 1900.¹¹ The Department does not consider that any of the treaties or conventions between Central American Governments concluded at Washington in 1907 affect, or were intended to affect, the international relations of any of those Governments with the United States. Manifestly it was not contemplated that Central American Court for settlement of controversies between the signa-

¹¹ Printed ante, p. 821.

tory Governments would attempt jurisdiction of any matter of diplomatic relation between the United States and any of those countries.

In view of repeated declarations by Department and of proviso adopted by United States Senate, that the treaty with Nicaragua was not intended to affect injuriously any right of Costa Rica involved, attempt by Costa Rica to interfere with freedom of action of Nicaragua in this matter cannot but be viewed by the United States as an unjustifiable effort to prevent Nicaragua from fulfilling her contractual obligations.

You may discreetly make use of this statement of the position of the United States as in your judgment will be helpful.

Repeat to Guatemala, Tegucigalpa, San José and Managua.

LANSING

File No. 817.812/186

Minister Jefferson to the Secretary of State

[Telegrams]

AMERICAN LEGATION,

Managua, March 31, 1916, 5 p. m.

Your March 30, 4 p. m. Chargé d'Affaires Wicker transmitted text of Canal Convention amendments to the President the day of their receipt. I am to-day transmitting the same text as received by me in Panama to the Minister for Foreign Affairs. President Diaz says that the Treaty with amendments will be presented to Congress next Monday night, April third, and in his message to Congress yesterday recommended its passage.

JEFFERSON

File No. 817.812/189

AMERICAN LEGATION,

Managua, April 7, 1916, 3 p. m.

Nicaraguan Senate passed Canal Treaty unanimously to-day. Navas, one of the liberal Senators did not vote but filed protest. Treaty transmitted to the House. Probably House will finish debate and take final vote next week.

JEFFERSON

File No. 817.812/190

AMERICAN LEGATION,

Managua, April 11, 1916, 1 p. m.

By vote of 29 to 8, House to-day at noon passed Nicaraguan Canal Treaty. Both Houses ratified the Treaty and amendments exactly as passed by the United States Senate.

JEFFERSON

File No. 817.812/151

The Secretary of State to the Minister of Colombia

No. 47

DEPARTMENT OF STATE,
Washington, April 11, 1916.

SIR: I have the honor to acknowledge the receipt of your note of February 6, 1916, enclosing an English translation of the award rendered by the President of France on September 11, 1900, in the boundary controversy between the Republics of Colombia and Costa Rica, and a memorandum regarding the rights of dominion claimed by the Republic of Colombia "over the coast and archipelago of Mosquito." You state that you have been instructed by your Government to remonstrate against the inclusion of the Great Corn and Little Corn Islands in any engagement already made, or hereafter to be made, by Nicaragua with the United States, and also to enter a like protest in regard to the occupation of the Mosquito coast by Nicaragua.

In reply I beg to say that the enclosures to your note under acknowledgment have been read with due care and that it would appear that the matter is one primarily for discussion between your Government and the Republic of Nicaragua.

Permit me to refer at this time to the concluding paragraphs of the memorandum enclosed with your note under acknowledgment, and to invite your attention to the statement contained in the note addressed by the Minister for Foreign Affairs of the Republic of France on October 22, 1900, in reply to a communication, dated September 22, 1900, from the Minister of Nicaragua at Paris to the effect that the arbitrator only had in mind, in referring to the Great Corn and Little Corn Islands, to establish that the territory of said Islands, mentioned in the treaty concluded March 30, 1865, between the Republics of Costa Rica and Colombia, was not included in the dominion of Costa Rica, and that the arbitrator did not undertake in any way to determine a question which was not before him.

Accept [etc.]

ROBERT LANSING

File No. 817.812/195

*The British Ambassador to the Secretary of State*BRITISH EMBASSY,
Washington, April 12, 1916.

SIR: In my note No. 393 of October 28 last,¹² I had the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs to enter a *caveat* against the payment by the United States Government to the Nicaraguan Government of the sum of three million dollars provided in the American Nicaraguan Treaty without any provision being made for the settlement of certain British claims recognized in a formal agreement concluded in 1912 by His Majesty's Government and the Nicaraguan Government, I added that there were other claims for goods or monies supplied

¹² For. Rel. 1915, p. 1118.

by British subjects to the Nicaraguan Government, which were not provided for in the above agreement, as they had never been disputed by the Nicaraguan Government, and for the payment of some of which assurances had also been given by that Government that they would be met out of the first monies received by them.

I have now the honour to state that a list of these claims is in the course of preparation and will be communicated to you as soon as received for inclusion in the settlement, which His Majesty's Government have no doubt will be carried out in such a manner as to enable the Nicaraguan Government to meet their obligations.

I have [etc.]

CECIL SPRING RICE

File No. 817.812/192

The Minister of Nicaragua to the Secretary of State

[Translation]

LEGATION OF NICARAGUA,
Washington, April 13, 1916.

MOST EXCELLENT SIR: I have the honor to inform your excellency under instructions from my Government, that the Canal Treaty concluded between the United States and Nicaragua on August 5, 1914 and ratified by the Senate of the United States by Resolution of February 18 last, received yesterday the final approval of the Congress of Nicaragua. In the Senate it was approved by a unanimous vote and in the Chamber of Representatives by a vote of twenty-eight to seven.

I avail [etc.]

EMILIANO CHAMORRO

File No. 817.812/190

The Secretary of State to Minister Jefferson

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, April 14, 1916, 1 p. m.

Your April 11, 1 p. m. Department gratified to learn of the ratification of Treaty by Nicaraguan Congress.

LANSING

File No. 817.812/192

The Secretary of State to the Minister of Nicaragua

No. 21

DEPARTMENT OF STATE,
Washington, April 17, 1916.

SIR: I have been gratified to receive your note of the 13th instant, by which you were so good as to inform me that the Convention concluded between the United States and Nicaragua on August 5, 1914, and approved by the Senate of the United States by its Resolution of February 18, 1916, had received the final approval of the Congress of Nicaragua.

By the telegram addressed to you by the Minister of Foreign Relations on the 14th instant, the contents of which you have made

known to the Department, it appears that the approval of the Convention by the Congress of Nicaragua includes also the approval of the amendments of the convention made by the Senate of the United States in its Resolution above mentioned.

As the convention provides for the exchange of ratifications at Washington, I shall be happy, upon being advised of the receipt by you of the instrument of ratification of the convention by the President of Nicaragua, to fix a time convenient to you for effecting the exchange.

Accept [etc.]

ROBERT LANSING

File No. 817.812/151

*The Secretary of State to Minister Thomson*¹³

No. 89

DEPARTMENT OF STATE,
Washington, April 18, 1916.

SIR: For your information and for the files of your Legation, there is inclosed herewith a copy of the translation of the note of the Minister of Colombia dated February 6, 1916, protesting on behalf of his Government against the inclusion of Great Corn and Little Corn Islands in any engagement already made, or hereafter to be made, by Nicaragua with the United States and also registering a like protest regarding the occupation of the Mosquito Coast by Nicaragua; and a copy of the Department's reply thereto dated the 11th instant. As this correspondence clearly sets forth the point at issue and the position maintained by the Government of the United States in this controversy, it is deemed unnecessary to include herein a copy of the voluminous memorandum accompanying Minister Betancourt's note.

In order to complete the records of your mission, there are also enclosed copies of translations of the correspondence, in this connection, exchanged between the Ministers for Foreign Affairs of Colombia and Nicaragua.¹⁴

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 817.812/202

Minister Jefferson to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Managua, May 4, 1916, 6 p. m.

President Diaz requested me to come to his office this morning for a conference with himself and Minister Chamorro regarding the continued protest made by Salvador and Costa Rica against the passage of the Canal Treaty. First, the Salvadorean Government sent two military officers aboard the Salvadorean steamer *Santa Ana* to Corinto, arriving at Managua yesterday, bearing a sealed letter from the Salvadorean Government protesting not only in the name

¹³ The same *mutatis mutandis* to the American Minister at Managua.

¹⁴ For. Rel. 1913, pp. 1082-1084.

of Salvador, but of Central America against the passage of treaty by Nicaragua. Second, the Central American Court of Justice, by a vote of four to one the other day admitted for hearing Costa Rica's complaint against Nicaragua.

JEFFERSON

File No. 817.812/195

The Secretary of State to the British Ambassador

No. 1160

DEPARTMENT OF STATE,
Washington, May 5, 1916.

EXCELLENCY: I have the honor to acknowledge receipt of your excellency's note of the 12th ultimo., referring to a former note of the 28th of October last, both relating to the matter of certain British claims which, it is stated, were recognized in a formal agreement concluded in 1912 by His Majesty's Government and the Nicaraguan Government, as also to other claims for goods or monies supplied by British subjects to the Nicaraguan Government which were not provided for in the above agreement.

It is further stated that a list of these claims is in course of preparation and will be communicated to this Department for inclusion in the settlement.

I take pleasure in informing you that this Department awaits the receipt of the above-mentioned list which, with other claims of this and other countries against the Nicaraguan Government, will receive due consideration in the disposition of the amount stipulated in the Treaty between the Republic of Nicaragua and the United States, when exchange of ratifications of the Treaty shall have been effected.

I have [etc.]

ROBERT LANSING

File No. 817.812/209

The British Ambassador to the Secretary of State

BRITISH EMBASSY,
Washington, May 21, 1916.

MY DEAR MR. SECRETARY: In my note No. 393 of the 28th October last¹² I referred to the contracts entered into between the Nicaraguan Government and certain American banks in regard to the disposal of a portion of the three million dollars to be received by Nicaragua from the United States under the Treaty of August 5, 1914, when ratified.

I am now informed that the Nicaraguan Official Gazette of the 24th March last contained the text of two new contracts between the same parties, prolonging the moratorium in the debt which was provided for in the earlier contracts adding to the sum total the interests which had meanwhile accrued. It appears, however, that in the new contracts the clause charging the United States Government to pay over the amount of the debts out of the three million dollars now contains the words "with preference over each and every other claim against the Republic".

¹² For. Rel. 1915, p. 1118.

This stipulation has been interpreted to imply that the payment of the sums claimed by the American bankers in virtue of the contracts in question will be given precedence over the payment of all other claims against the Nicaraguan Government. In my note of the 28th October reference is made to the various claims on the part of His Majesty's Government against the Nicaraguan Government, and to the guaranties given that these claims would be met out of the first money receivable by Nicaragua. I presume that the execution of the contract between the American bankers and the Nicaraguan Government will not be carried out in such a way as to prejudice the settlement of the claims of the creditors of other than American nationality, but in view of the wording of the new contracts I should be grateful for any indication which you might be able to give me on this point.

I am [etc.]

CECIL SPRING RICE

File No. 817.812/180

The Acting Secretary of State to the Minister of Costa Rica

No. 10

DEPARTMENT OF STATE,
Washington, May 22, 1916.

SIR: The receipt is acknowledged of the Legation's note of March 27, 1916, in which, pursuant to special instructions of your Government, you inform me that the Government of Costa Rica has brought suit against the Republic of Nicaragua before the Central American Court of Justice, on the ground that the negotiation and consummation of the Convention of August 5, 1914, between the United States and the Republic of Nicaragua, without the requisite advice and consent of Costa Rica, are construed by your Government to be in flagrant violation of the rights and sovereign integrity of Costa Rica, as stated in the protests lodged with this Department by you, under date of February 2 and 21, 1916.

You are doubtless aware that the establishment of the Central American Court at Cartago by virtue of the Convention of the Governments of Central America, signed December 20, 1907, at Washington, took place long after the agreements of Costa Rica and Nicaragua to undertake negotiations with the United States for the construction of a Nicaraguan Canal, as provided by the protocols signed December 1, 1900, by each of the interested Governments. This Government is not of the opinion that any of the Conventions entered into at Washington in 1907 between the Governments of Central America affected, or were intended to affect, the international relations between the United States and any of the Governments of Central America. It was manifestly not contemplated that the Court at Cartago, established for the settlement of difficulties between the Governments signatory to the Convention, would undertake jurisdiction of matters concerning diplomatic relations between those countries and the United States.

Inasmuch as the declarations of this Department and the proviso adopted by the Senate of the United States affirm that no right of Costa Rica therein involved was intended to be injuriously affected by the Nicaraguan Treaty, an endeavor on the part of Costa Rica

to interfere with Nicaragua's freedom of action in this connection can be viewed by this Government only as indicative of an attempt to prevent Nicaragua's fulfillment of her contractual obligations.

Accept [etc.]

FRANK L. POLK

File No. 817.812/210

The Minister of Costa Rica to the Secretary of State

[Translation]

LEGATION OF COSTA RICA,
Washington, May 23, 1916.

EXCELLENCY: I had the honor in due course to receive your excellency's important communication dated the 1st of March of this year, in which you are pleased to tell me your sentiment of the allegation I permitted myself to bring before your excellency in my notes of February 2 and 21 last, respectively, in the matter of the conclusion of the Bryan-Chamorro Canal Treaty which was referred in that month to the Senate of the United States for its high approval.

Having left for my country on the very day of which your excellency's note bears date and not having returned to this city until a few days ago, I have not until now been afforded the honor to refer to it and I look forward to your excellency's kindness in deigning to accept my apologies for the delay.

Deep and most pleasant. Mr. Secretary is the satisfaction I have felt at the lofty sentiments of fraternity and sympathy as well as of perfect respect for the legitimate rights of Costa Rica which mark your excellency's above-mentioned note. On such a foundation it may be said that the difference lies merely in the estimation of details and that there should therefore be no great difficulty in reaching a perfect accord.

Your excellency takes the ground that in as much as the American Government had no intention in concluding the disputed Canal Convention, to invade any rights or interest of Costa Rica as set forth in the extensive note of August 1, 1914,^s from the Department of State to my predecessor Señor Don Joaquín Bernardo Calvo, there is no cause or foundation whatever for my Government's protest, and that in further corroboration of this proposition and therefore in fuller refutation of Costa Rica's complaints the Senate of the United States passed the Resolution which requires the instrument of ratification to declare that nothing in the said convention is intended to affect any existing right of any of the aforesaid nations (Costa Rica, Salvador, and Honduras).

With all the respect I have for your excellency's very high and unquestionable authority I will venture the remark that while the absence of intention removes all that is subjectively offensive in an act it does not in the least alter the physical consequences attending that act.

In the present case for instance if the Bryan-Chamorro Convention actually violates rights of Costa Rica, as my Government maintains, the violation is not wiped out though it were not intended by

^s For. Rel. 1914, p. 964.

the signatory parties, just as the declaration suggested by the Senate cannot alter the convention in its nature or consequences.

But as I had the honor already to say to your excellency, the question really reduces itself to a mere difference of opinion, to wit: Does the Bryan-Chamorro treaty invade rights and interests of Costa Rica? My Government maintains that it does, your excellency's and the Nicaraguan Governments that it does not.

Which is right? Which is in the right?

The Government of Costa Rica, failing to reach a direct agreement on this point with either of the two signatories of the disputed convention, has been constrained to apply to the August tribunal instituted to solve differences of whatever nature that may arise between the several Central American Republics by filing a petition against the Government of Nicaragua to have it conclusively declared that the said Government lies under a total inhibition to grant any canal concession without the previous advice or consent, according to the occasion, of Costa Rica.

If, as I believe it will, the most excellent Central American Court of Justice should decide the case in accordance with Costa Rica's claim and thereby strip of any value or effect the engagements subscribed by Nicaragua in the premises thus wholly nullifying the Bryan-Chamorro Convention, I hasten here to repeat to your excellency what I had the honor to state in my note of the 2d of February of this year, viz., that Costa Rica's action is not in any way prompted by any desire to hamper the United States endeavor to build and control the Nicaragua Canal; that, far from it, my Government is quite willing to reach an agreement with that of your excellency for the cession of the rights it may enjoy in the undertaking with the one proviso that such an arrangement be perfected in strict accordance with the stipulations prescribed in previous treaties.

I have the honor to forward herewith to your excellency a printed copy of the English translation of the complaint, of the documents addressed in its support and of the legal steps thus far taken in the proceedings,¹⁵ and so great is my confidence in the justice of the proposition upheld by my Government that I am sure your excellency will so recognize it, overcoming the practical impossibility of doing so, you should succeed in sacrificing the time required for a perusal and study of the pamphlet.

I have expressed my firm conviction which is also that of my Government, that the decision of the High Central American Court will solemnly confirm the justice and right on which Costa Rica's complaint rests. But should the Honorable Court's award be different, it would be needless for me to assure your excellency that my Government will do honor to its tradition of perfect observance of the engagements subscribed by the Republic by respectfully obeying in its every part the decision of the tribunal. The national tradition of the sister Republic of Nicaragua in that sense is equally honorable and unsullied, and on it my Government bases its confidence that the sentence, whatever it may be, of the Central American Court of Justice will be honored and respected—which confidence grows

¹⁵ Not printed. See inclosure to dispatch No. 102, from the American Minister at San José, dated October 16, 1916, printed post p. 862.

stronger and more certain when it is remembered that the said supreme Court, which is the pride of Central America, lives because it was given generous support by a powerful friendly nation when it was born and because, when instituted it found the moral and eminently significant authority that the Government of the United States had in its creation to be a factor in reinforcing its existence.

I may not conclude without first putting on record a respectful remark about your excellency's reference to the protocol which was signed separately in this city on the 1st of December 1900 by the Plenipotentiaries of Costa Rica and Nicaragua with the Secretary of State of the United States carrying a promise to grant in due course to the last named country the ownership and control of an inter-oceanic canal running from San Juan del Norte to the Pacific Ocean. The said protocol's value to Costa Rica is purely historical, as it was not only unknown to the Constitutional Congress, but not even clothed with the approval of the President of the Republic. It is not therefore a precedent by which my Government can be in any way bound.

I beg [etc.]

MANUEL CASTRO QUESADA

File No. 817.812/224

The Chargé d'Affaires of Nicaragua to the Secretary of State

[Translation]

LEGATION OF NICARAGUA,
Washington, June 13, 1916.

EXCELLENCY: It gives me great pleasure to inform your excellency that I have received, by the State Department pouch, the autograph copy of the instrument of ratification of the Canal Treaty, entered into on August 5, 1914, between the United States and Nicaragua, with its amendments, drawn up by the President of Nicaragua; and the letter of authority of the President of Nicaragua empowering me to effect, in the name of Nicaragua, with the plenipotentiary which the Government of your excellency may designate, the exchange of ratifications of said treaty.

I therefore take the liberty of requesting that your excellency, should you find it convenient, will be good enough to designate the day and hour which you consider appropriate for me to present the instruments mentioned, with the object of proceeding with the exchange of ratifications.

I am [etc.]

JOAQUIN CUADRA Z.

File No. 817.812/229

Minister Jefferson to the Secretary of State

No. 286

AMERICAN LEGATION,
Managua, June 17, 1916.

SIR: I have the honor to enclose herewith for the information and files of the Department certain communications between the Governments of Nicaragua and Costa Rica, relative to the claims of each country in connection with the Nicaraguan Canal Treaty.

I have [etc.]

BENJAMIN L. JEFFERSON

[Inclosure 1—Translation]

Order to file Costa Rica's complaint and to maintain the status quo

From *La Información*, May 3, 1916.

The Central American Court of Justice yesterday accepted the complaint of the Government of Costa Rica against that of Nicaragua and decreed the maintenance of the *status quo* between the two States. The text is as follows:

CENTRAL AMERICAN COURT OF JUSTICE,
San José de Costa Rica, May 1, 1916, 6 p. m.

Whereas the Government of Costa Rica, through Lic. Luis Castro Urefia, complains of the Government of Nicaragua and alleges that a treaty concerning an interoceanic canal has been subscribed between the Republic of Nicaragua and that of the United States of America; that said treaty is violatory of the Cañas-Jérez Treaty, of the Cleveland Award, and of the General Treaty of Peace and Friendship signed in Washington in 1907.

Now, therefore, considering:

1. That it is within the jurisdiction of the Court to take cognizance of all questions or controversies between the Central American States of whatever nature or origin in case the respective Chancelleries may not have been able to come to an agreement. (Article I of the Treaty which created this Tribunal.)

2. That the present case is within the ordinary jurisdiction of the Court, by treating of a controversy between two High Parties signatories of the Treaty of Washington, who thereby agreed to trust the solution of their differences or difficulties to this Court.

3. That the plaintiff has complied with the requirements of Article XIV of said treaty regarding the preparation of its complaint.

4. That in regard to the requirement of exhaustion of diplomatic negotiations previous to resort to judicial action, the Court judges that such condition has been complied with, in view of the documents of record; that it appears from the exhibits accompanying the complaint that the Government of Costa Rica claimed before that of Nicaragua its right to be consulted with respect to any convention referring to the contracting for an interoceanic canal; that the Government of Nicaragua replied and alleged that it considered within the exclusive attributes of its sovereignty the making of a canal pact, the execution of which affects only the water and land of its own domain; that an incipient argument was closed because the Government of Nicaragua refused to state the facts of the treaty negotiations to the plaintiff, alleging that for reasons of an international character it considered itself obliged to keep the treaty secret; that the prospect of an agreement concerning the opposing interests was thus made impossible and appeal to this Court necessary.

5. That Article 6 of the Ordinances and 17 Number first [sic] of the regulation give logical development to the general principle embodied in Article I of the Treaty and leave it to the discretion of the Court to determine in each case *sub judice* whether the plaintiff State did or did not make reasonable efforts to secure a discussion between the Chancelleries; that this Court adheres to the doctrine "that the discretion allowed in said article has for its object to safeguard the right of the States to compose their disputes by means of an amicable understanding, notwithstanding their engagement to submit them to the Court; but that is not to say that previous resort to diplomatic means is obligatory." (Decision of December 19, 1909.)

6. That from the notes addressed by the Ministry of Foreign Relations of Nicaragua to the Secretaría of Foreign Relations of Costa Rica and transcribed to this Court, it appears that the defendant denies the competence of the Court to take cognizance of the subject, and pleads the impropriety of the action instituted; that of the merits of these allegations it is not possible to judge without a hearing.

7. That in regard to the interlocutory petition which accompanies the complaint, it is in order to decide by mutual consent the point referring to the maintenance of the status quo between the Republics of Costa Rica and Nicaragua; but not in regard to the notification to the Government of the United States, because it is not a party to the litigation. (Article XVIII of the Treaty.)

That in conformity with the doctrines cited, with Articles 19, 22, and 23 of the Convention, 57 and 58 of the Ordinance, and 16 of the Regulation, the judge for Nicaragua dissenting,—

It is ordered that the complaint presented by the Government of Costa Rica against the Government of Nicaragua be filed; that Lic. Luis Castro Urefia be recognized as attorney for the plaintiff; that the defendant be served with a copy of the complaint and invited to answer within sixty days after service; and

It is further ordered that the Government of Costa Rica and the Government of Nicaragua maintain the *status quo* existing between them before negotiating the treaty which is the cause of the present contention.

M. CASTRO R
NICOLÁS OREAMUNO
DANIEL GUTIÉRREZ NAVAS
SATURNINO MEDAL
ANGEL M. BOCANEGRA

MANUEL ECHEVERRÍA,
Secretary

[Inclosure 2—Translation]

The Nicaraguan Minister for Foreign Affairs to the Secretary of the Central American Court of Justice

FOREIGN OFFICE,
Managua, April 1, 1916.

MR. SECRETARY: Your telegram of March 25 informed this Office through Dr. Luis Castro Urefia, special representative of the Government of Costa Rica, that suit has been brought in the Central American Court of Justice against my Government, based on the statement that the treaty known as the "Bryan-Chamorro Treaty" interferes with rights of the plaintiff; you have also communicated the order of the Court regarding the filing of an answer, etc. This office has also received a telegram from his excellency the Costa Rican Minister for Foreign Affairs, giving the same information. Replying to your communication, I am transcribing herewith the reply that I telegraphed on this date to the Minister for Foreign Affairs of Costa Rica:

HIS EXCELLENCY THE MINISTER FOR FOREIGN AFFAIRS,
SAN JOSÉ, COSTA RICA.

This office has received your excellency's telegram of March 25 in which you are pleased to state that, owing to the perfect knowledge which your Government has that the celebration of the Chamorro-Bryan Treaty on August 5, 1914, injures fundamental interests not only of Costa Rica but also of all Central America, it has brought suit in the Central American Court of Justice against my Government and prays that Nicaragua be declared incompetent to contract the obligations stipulated in said convention. The telegram goes on to say that on taking this step the Government of your excellency is not inspired with the slightest sentiment of censure or ill will against my Government; that the result of your action will be to the advantage of the five sections of Central America, and especially to Costa Rica and Nicaragua, which it will more closely bind by the ties of sympathy and friendship that unite the two countries.

My Government, obeying a cardinal principal of its foreign policy, has limited itself in contracting with the United States to the exclusive territorial boundaries over which as an independent State it has dominion, endeavoring only to provide for its welfare and progress as a nation, and respecting in every way the integrity and legitimate rights of the other Central American Republics.

Therefore, we could not help being surprised that the Government of your excellency, on raising a question that could hardly have more than a local interest for Costa Rica, should invoke the fundamental interests of other States of Central America, by supposing them to be injured and constituting itself their representative without observing that Nicaragua forms a part of the geographical division to which your excellency alludes and is, therefore, as anxious as any of the sections of the ancient country to preserve and defend the true and effective interests of Central America.

This action of your excellency's Government strikes us as an indication of the little faith your Government has in the justice of its cause. On the other hand, Nicaragua has been at all times perfectly qualified to negotiate such conventions as the Chamorro-Bryan Treaty, to which your excellency refers, and is not at all disposed to consent to the discussion of such rights, which pertain solely to the inherent sovereignty of the State.

With respect to Costa Rica in particular, all the disputes that formerly existed with Nicaragua in reference to boundaries and to participation in the interoceanic canal were settled once for all by the decision of President Cleveland. This Republic has strictly complied with the terms of said decision, as it will do when it is a case of granting concessions for building the interoceanic canal; but in respect to the rights which said decision secures to Nicaragua as sole sovereign of the territory on which said canal is to be built and as the absolute owner of the benefits that the country may obtain in compensation for favors and privileges conceded, my Government will not permit discussion of the subject, because by its own nature the decision is not subject to revision nor in-

interpretation by any arbitration tribunal. Likewise it is not within the jurisdiction of the Central American Court of Justice to hear a suit such as the Government of Costa Rica has brought, because, according to Article I of the Washington Convention that created it, said Court acquires the character of an arbitration tribunal only when dealing with controversies or questions arising between the contracting parties, in case the respective chancelleries should not have come to an agreement. But Costa Rica—without taking into consideration the ties of sympathy and friendship that unite our two countries and proclaimed in your excellency's telegram, nor the fact that, according to the said Article I, the intervention of the Court takes place only in the case agreement between the parties has become impossible after the indispensable resort to the diplomatic channel—has at no time been pleased to protest to this Office, directly or indirectly, against the Chamorro-Bryan Treaty.

My Government therefore considers the suit brought against Nicaragua to be unfounded and out of the jurisdiction of the Central American Court of Justice; and, with full confidence in its rights, it trusts that that tribunal, recognizing said rights to their full extent, will abstain from any further proceedings.

Accept [etc.]

DIEGO M. CHAMORRO

I shall only add that the proceedings of the Central American Court of Justice in this matter being void and in violation of the Washington Convention of 1907, my Government expects that the Court will abstain from considering the case in obedience to the clear, explicit and final text of that convention.

I thus reply to your telegram referred to and sign myself,

Your obedient servant,

DIEGO M. CHAMORRO

[Inclosure 3—Translation]

Dissenting opinion of the Magistrate for Nicaragua

That the Government of Costa Rica invokes the aid of this tribunal to settle its differences with Nicaragua on account of the Chamorro-Bryan Treaty, implies an enlightened homage to the ideals of peace and justice with which it was instituted; but that cannot excuse us from the duty of examining whether the case is within our jurisdiction, and whether, in consequence, we are empowered to take cognizance of it.

The plaintiff adheres to Article I, of the convention cited, the text of which is as follows:

The High Contracting Parties agree by the present Convention to constitute and maintain a permanent tribunal which shall be called "the Central American Court of Justice," to which they bind themselves to submit all controversies or questions which may arise among them, of whatsoever nature and no matter what their origin may be, in case the respective Departments of Foreign Affairs should not have been able to reach an understanding.

In my judgment the text is clear and conclusive regarding the power embodied therein and prohibits us from taking cognizance of the matter for the following reasons:

From the said text it appears that the Governments signatory of the treaty delegated to the Court the limited power to take cognizance of their differences only when the efforts of the parties to come to an agreement by means of diplomatic action shall have failed. An absolute delegation of sovereignty for the settlement of all questions which might arise between the Central American Republics would have been equivalent to entrusting to the Court the complete direction of all their foreign affairs, and this undoubtedly was not the intention of the High Contracting Parties.

On other occasions the article in question has been interpreted by Doctors Bocanegra and Medal in the sense that the contracting States can not relieve themselves of the obligation to undertake Chancellery negotiations before resorting to the Court. In the record of proceedings of June 19, 1912, it appears that Magistrate Bocanegra, in discussing the order of procedure, was of the opinion "that it is not legally possible to establish an action before this tribunal, without previously having taken Chancellery action to arrange the matter," and cited to this effect the opinions of certain jurisconsults. And Magistrate Medal in the case of Felipe Molina Larios against the Government of Honduras comments on the article in this form:

According to its text, the Government may bring suit in case of ineffectual Chancellery negotiations or of impossibility of agreement for any cause whatsoever. Clause 10 of Article 6 of the Ordinance of Procedure. The plaintiff should therefore accompany his petition with sufficient evidence of having fulfilled such conditions.

In general it can be established that the fundamental limitation of the jurisdiction of this Court, set forth with all clearness in said Article 1, is common to all arbitration tribunals, according to the majority of writers on international law and the practice followed by some nations.

The illustrious professor John Basset Moore, reputed to be a veritable authority on international law, states (page 24, Vol. VII, Moore's Digest) his opinion in these terms:

According to present practice, the redress of national grievances may be pursued, first, by amicable methods; and, secondly, by force. Of amicable methods the most common is negotiation. There is nothing more conducive to the settlement of differences than a fair and candid discussion of them. Where this fails, we may yet try arbitration or mediation.

The United States gave an analogous opinion, August 13, 1869, expressed as follows:

Thus Department has for many years past adopted the policy of submitting to a disinterested arbitration claims of its citizens against other governments, when otherwise unable to agree upon an adjustment. (Page 27, Vol. VII, Moore's Digest.)

The distinguished publicist, Doctor Woolsey, Professor Emeritus of Yale University, expressed himself before the American Society of International Law in these terms (see volume of the Transactions of the Society for 1917):

International arbitration is the means adopted to settle the differences existing between States through the medium of a litigation before a tribunal. These differences might be settled by means of negotiations or by war. It is presumed that there has been recourse to negotiations without success before appealing to arbitration. The clause indicated is inserted frequently in arbitration conventions in express terms; for example Article L of the Anglo-French Treaty of 1903 reads thus:

"The differences of a judicial nature or relative to the interpretation of existing treaties between the two contracting parties, which may arise and which it has not been possible to settle through diplomatic channels, shall be submitted to the Permanent Court of Arbitration, established by the Convention of July 29, 1899, at The Hague."

It seems unnecessary to accumulate other citations to arrive at the conclusion that, before States resort to this Court, they should use the prudent and reasonable means of Chancellery, in order to reestablish between them the disturbed harmony. This conclusion is evident from the literal tenor of Article I of the convention, and the opinions which I have cited confirm it in its entirety.

Let us see whether in respect to the Treaty that causes the controversy that indispensable requisition has been fulfilled on the part of Costa Rica.

The petition of the plaintiff informs us that, when the Government of this Republic received private notice that the Legislative Assembly of Nicaragua had sanctioned a treaty concluded between the Government of that country and that of the United States, among other things, for the opening of an interoceanic canal through Nicaraguan territory, it communicated instructions to the respective Ministers accredited to the two countries, to address the protests contained in the annexes ("F" and "G")⁵ and that by reason of the publication of the treaty in the daily newspaper *La Republica* in its number 8810, the Minister of Costa Rica in Managua also was instructed to present the communication of July 30, 1913, requesting the Nicaraguan Chancellery "to state in a categorical manner whether the text of the convention published was authentic, and in case of the contrary to make the appropriate rectifications."

Such were the only acts which the convention of February 8, 1913, called forth from the Government of Costa Rica, the clauses of which were well known to all from the publicity given them by the many organs of the press and in loose sheets, especially in this country, where it was the object of a special study edited in a pamphlet by Ramon Rojas Corrales.

In the middle of August, 1914, the plaintiff goes on to say, they were assured unofficially that the aforesaid canal treaty had been tacitly dropped from study of the American Senate, which was, however, considering another pact of similar importance, in respect to which the Nicaraguan Government also kept the strictest silence. For this reason the Government of Costa Rica could not at that time make concrete charges, nor attack except in general terms whatever convention had been made between the same parties.

Later than 1914 and 1915, the plaintiff Government was informed by the Washington press that on February 2 of the current year the Foreign Relations Committee of the North American Senate had favorably reported the

⁵ Not printed.

canal treaty, and that in effect said treaty was approved and ratified at the executive session of the Senate held on February 18. On its part the Legation of Costa Rica in Washington made every effort through the Department of State to prevent the ratification of the new treaty; it addressed a memorandum to the American Senate through the attorney of the Legation, Mr. Harry W. Van Dyke; and, the ratification being consummated, it addressed on February 22 last an energetic protest against that act.

To the Government of Nicaragua the Government of Costa Rica did not address a single opinion on the subject, as its Secretary of Foreign Relations informs us. In brief, its Chancellery actions consist solely of a protest before both signatory Governments, and another protest directed solely to the American Government.

The idea of opening an interoceanic canal by way of Nicaragua dates back many years, and to carry it into effect there have been celebrated not only the two treaties to which we have alluded but many other agreements, either with companies or with the American Government, all tending to the same end but differing from each other as to the parties who have intervened, and as to the concessions and privileges which have been granted. This difference is even more marked between the treaties with which we are dealing, because the former referred (annex H) "to important steps in the political and economic life of Nicaragua, taken strictly within her indisputable rights, without reserve or selfish views," and the subsequent one to the cession for a fixed sum of the rights necessary for the construction, service and maintenance of the canal, the renting of Great and Little Corn Islands, and the right to establish a naval base in any place on the territory of Nicaragua bathed by the Gulf of Fonseca. There is no room for confusing them; and it is absurd to extend to the other the procedure or the objections, which one of them may have originated.

Neither does the protest of itself alone fulfil the requirements of the treaty.

The purpose which the High Parties had in mind on signing the convention which created this Court, appears clearly in the preamble: "the purpose of effectively guaranteeing their rights and maintaining peace and harmony inalterably in their relations, without being obliged to resort in any case to the employment of force." In harmony with this purpose the efforts of the Chancellery have perforce to seek an agreement, propose means of conciliation and show some interest in an amicable solution, objects which a protest cannot pursue, confined as it is to a statement of a non-agreement with the act which is supposed to be prejudicial.

It is inexcusable, therefore, that the Government of Costa Rica has not complied with the indicated formality so carefully and wisely prescribed by the convention, in order to adjust its controversy with the Government of Nicaragua, and that it has not exhausted even the insufficient formula of the protest. This omission has deprived both Governments of a family solution of an important question without relaxing the fraternal bonds which unite them, in which the interests of neither would have been excluded, but in which on the contrary they are complementary. The President of Costa Rica so understood it at the last moment in proposing to Nicaragua through his representative a personal conference in order to discuss the subject in a friendly way to the end that Costa Rica might obtain from the American Government the greatest possible advantages.

The plaintiff Government not having attempted, then, any Chancellery negotiations with that of Nicaragua, in expectation of an understanding regarding the points submitted for our decision, I hold the complaint to be premature, and vote that the Court reject it and communicate its decision to the Central American Governments.

The precautionary measures solicited by the plaintiff are incidental to the demand and, therefore, should be rejected also.

The treaty leaves for a later convention to determine the details of the terms on which the canal shall be constructed, managed and maintained; it has not yet been decided to carry out the work considered injurious to the rights alleged by Costa Rica; consequently the work in no way affects the *status quo* between the dissident Republics in regard to the matter.

Finally, the notification to the American Government of the complaint is not in order, as the United States is not a signatory of the treaty that constituted this Court nor is it a party to the action.

SAN JOSÉ, COSTA RICA, May 1, 1916.

File No. 817 812/227

The Minister of Costa Rica to the Secretary of State

LEGATION OF COSTA RICA,
Washington, June 20, 1916.

MR. SECRETARY: I am in possession of your important note No. 10 dated May 22, last, in which your excellency, referring to the information given by the Legation to the effect that my Government had brought action against that of Nicaragua before the Central American Court of Justice in the matter of the unlawful conclusion of the Bryan-Chamorro Treaty, is pleased to tell me definitely that your Government cannot see in Costa Rica's action anything more than a desire to prevent Nicaragua from complying with its contractual obligations.

Your excellency reaches that conclusion upon considering:

First, that the treaty that gave birth to the court in which suit has been entered was not signed until a long time after the signing in Washington of a protocol by which the Governments of Costa Rica and Nicaragua undertook to open negotiations with that of the United States for the cession of the rights required for the construction of the Nicaraguan Canal;

Second, that neither the convention which created the Cartago Court nor any of the others concluded on the same day by the five Governments of Central America had in view to affect in any way the international relations between the United States and any one of those Governments; and,

Third, that after the declarations made by your Department of State and the resolution passed by the Senate of the United States to the effect there shall be inserted in the instrument of ratification the clause that "nothing in the said convention (Bryan-Chamorro) is intended to affect any existing right of any one of the aforesaid States (Costa Rica, Salvador and Honduras)" the position taken by my Government against Nicaragua's freedom of action cannot be viewed except as I have hereinbefore mentioned.

With your excellency's leave and with professions of the utmost respect for your very learned opinion I venture to offer the following remarks:

First: The protocol of December 1, 1900, as I had the honor to say to your excellency in my note of May 23 last, is not an instrument in any way binding on Costa Rica. As to my Government, the said protocol was still-born, since it was not even brought to the knowledge of the Constitutional Congress, the President of the Republic having omitted to send it on its way with his approval.

Wherefore, Mr. Secretary, I make bold to hope that your excellency will admit that Costa Rica's freedom of action was not in any way curtailed by the said protocol when my Government subscribed the Conventions of December 20, 1907.

Second: If what your excellency meant to say in the statement that the Central American Court of Justice was not instituted to regulate international relations between the United States and any one of the Governments parties to the Convention of December 20, 1907, is that the jurisdiction of the said court does not reach the North American nation, your excellency is quite right in that asser-

tion. But if your excellency opines that any one of the five nations bound by the said conventions is fully competent to repudiate the action of the court in any case in which a nation that is not a party to those conventions is concerned, I much regret to have to say to your excellency that I cannot consider this to be the just and true proposition.

An extreme example will make things clear: Will your excellency suppose for an instant that the articles of the Bryan-Chamorro Convention contain a clause under which Nicaragua would cede to the United States, with a view to the preservation and maintenance of the canal, the Costa Rican port of Limón? Would your excellency believe in that case that, inasmuch as the United States does not appear among the nations signatory to the Central American Conventions of 1907, my Government could not summon Nicaragua before the Cartago Court in vindication of its divided rights?

In that hypothetical case your excellency would assuredly not doubt for an instant the perfect right of Costa Rica to bring the action and it would be equally certain that in the presence of so perfect a proof of the Costa Rican Government's rights the United States would never have inserted in the treaty the hypothetical clause I have taken for an example.

And what difference in principle is there in truth between the actual and the hypothetical case?

I am sure that your excellency will admit that there is none in reality and that therefore the discussion we are now conducting can be actuated by no other cause than a mere difference of opinion.

In fact, neither the Government of the United States nor that of Nicaragua would ever have concluded a convention knowing that they were thereby violating the rights of a third party. If they did, it was because they supposed they were acting in accordance with reason and justice; that is to say, because in their judgment the objections raised by Costa Rica against the project were ill-founded.

But as my Government for its part is thoroughly convinced that the Bryan-Chamorro Treaty invades Costa Rican rights that are as plain and as vital as those that would have been trampled upon if the treaty had actually dealt with the port of Limón, it has no resource left but to refer the decision of the question to an umpire after exhausting, as it did, the diplomatic remedies without arriving at a direct agreement between the parties.

And who is the umpire to whom we have applied?

Precisely that tribunal which has jurisdiction over the very party which appears legally responsible for the alleged trespass: Nicaragua; that is, the nation which existing pacts preclude from negotiating canal concessions regardless of Costa Rica.

I say again: The question, then, reduces itself to a mere difference of opinion, viz: Has Nicaragua the right to sign the Bryan-Chamorro Treaty or has it not?

If the Court finds that it has, Costa Rica will contentedly bow to the decision and tender her very humble apologies to the Governments which signed the challenged convention for the groundless claims with which it importuned them so long. But if the award should go otherwise and the Court should recognize the right of Costa Rica which is so clear to me, your excellency would grant

that from that moment no further value could attach to the Bryan-Chamorro Convention, since the perfect capacity possessed by the United States in concluding it would not suffice to remove the disqualification of Nicaragua, just as the circumstance of your excellency's full enjoyment of civil rights would not validate a contract you might enter into with a minor or bankrupt.

And coming now to the third of the conclusions presented in your excellency's note, viz: that after the declaration of your Department of State and the resolution passed by the Senate that "nothing in the said convention is intended to affect any existing right of any one of the aforesaid States," an endeavor on the part of Costa Rica to hamper Nicaragua's freedom of action in this matter cannot be viewed by the North American Government otherwise than as a desire to prevent Nicaragua from complying with its contractual obligations, I must say that there is nothing more remote from the mind of my Government than the fallacious thought of curtailing the exercise of a legitimate right by Nicaragua or any other nation. The fact that my Government does not believe that Nicaragua, whose freedom of action in the specific case under consideration is restricted by the terms of an international treaty it has with Costa Rica, possesses that right is the very reason that impelled its intervention in the form it has adopted; and that intervention if properly considered has done nothing but develop and fully and duly broaden the proviso pronounced by the Senate that in approving the convention it did so on the understanding that no existing right of Costa Rica, Salvador or Honduras was violated thereby.

On that occasion, Mr. Secretary, the Senate taking into consideration the fact that the protests of these different countries might very well rest on some substantial foundation, did not deem it appropriate to grant its high approval without making the foregoing reservation, for it understood full well that the contract could not live from the moment that it was proved to be null and void in its genesis.

The time to adduce that proof has come and if, as my Government expects, it is found to be what Costa Rica has maintained, the subsequent fate of the convention has already been fixed by the Senate with this necessary corollary of its resolution: "From the moment in which it violates rights of a third party let it be regarded as not approved."

I do not wish to conclude without again registering that which I have repeatedly said in my various previous communications: In the event of the Bryan-Chamorro Convention's final collapse, my Government is animated by the most cordial wish to treat with the Government of the United States in the matter of the cession of canal rights; provided, that when the concession is made the provisions on the subject contained in the Treaty of April 15, 1858, between Costa Rica and Nicaragua, and the Cleveland Award of March 22, 1888, shall be duly taken into account.

In the light of this reiterated declaration of my Government there is no justice in ascribing to it any intention to check the purpose of the United States to acquire the right to build and maintain a canal over the so-called Nicaragua route. Costa Rica is willing to lend the *quantum* of the rights of which it holds sovereign ownership and which are absolutely necessary to effect a valid and perfect convey-

ance of the canal rights to the United States; but it does ask and expect of the high sense of equity of your excellency's Government that it be recognized that it is an act of justice as well as a duty to conform to the stipulations of the public instruments above mentioned.

It is my high honor [etc.]

MANUEL CASTRO QUESADA

File No. 817.812/224

The Secretary of State to the Chargé d'Affaires of Nicaragua

DEPARTMENT OF STATE,
Washington, June 21, 1916.

SIR: I have the honor to acknowledge the receipt of your note of the 13th instant in which you inform me of your readiness to effect the exchange of ratifications of the treaty signed on August 5, 1914 between the United States and Nicaragua and request the designation of the time when the exchange may take place.

In reply I have the honor to inform you that I shall be happy to receive you for the purpose of consummating this formality on Thursday, the 22d instant, at two-thirty o'clock p. m.

Accept [etc.]

ROBERT LANSING

File No. 817.812/225

The Secretary of State to Minister Jefferson

[Telegram]

DEPARTMENT OF STATE,
Washington, June 22, 1916.

Ratifications of convention exchanged to-day.

LANSING

**NICARAGUAN CANAL ROUTE—CONVENTION BETWEEN THE
UNITED STATES AND NICARAGUA**

Signed at Washington, August 5, 1914; ratification advised by the Senate, with amendments, February 18, 1916; ratified by the President, June 19, 1916; ratified by Nicaragua, April 13, 1916; ratifications exchanged at Washington June 22, 1916; proclaimed, June 24, 1916.

Treaty series, No. 624

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas a Convention between the United States of America and the Republic of Nicaragua granting to the United States the exclusive proprietary rights for the construction and operation of an interoceanic canal by a Nicaraguan route, the lease of certain islands, and the right to establish a naval base on the Gulf of Fonseca, was

concluded and signed by their respective Plenipotentiaries at Washington, on the fifth day of August, one thousand nine hundred and fourteen, the original of which Convention, being in the English and Spanish languages is, as amended by the Senate of the United States, word for word as follows:

The Government of the United States of America and the Government of Nicaragua being animated by the desire to strengthen their ancient and cordial friendship by the most sincere cooperation for all purposes of their mutual advantage and interest and to provide for the possible future construction of an interoceanic ship canal by way of the San Juan River and the great Lake of Nicaragua, or by any route over Nicaraguan territory, whenever the construction of such canal shall be deemed by the Government of the United States conducive to the interests of both countries, and the Government of Nicaragua wishing to facilitate in every way possible the successful maintenance and operation of the Panama Canal, the two Governments have resolved to conclude a Convention to these ends, and have accordingly appointed as their plenipotentiaries:

The President of the United States, the Honorable William Jennings Bryan, Secretary of State; and

The President of Nicaragua, Señor General Don Emiliano Chamorro, Envoy Extraordinary and Minister Plenipotentiary of Nicaragua to the United States;

Who, having exhibited to each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE I

The Government of Nicaragua grants in perpetuity to the Government of the United States, forever free from all taxation or other public charge, the exclusive proprietary rights necessary and convenient for the construction, operation and maintenance of an interoceanic canal by way of the San Juan River and the great Lake of Nicaragua or by way of any route over Nicaraguan territory, the details of the terms upon which such canal shall be constructed, operated and maintained to be agreed to by the two governments whenever the Government of the United States shall notify the Government of Nicaragua of its desire or intention to construct such canal.

ARTICLE II

To enable the Government of the United States to protect the Panama Canal and the proprietary rights granted to the Government of the United States by the foregoing article, and also to enable the Government of the United States to take any measure necessary to the ends contemplated herein, the Government of Nicaragua hereby leases for a term of ninety-nine years to the Government of the United States the islands in the Caribbean Sea known as Great Corn Island and Little Corn Island; and the Government of Nicaragua further grants to the Government of the United States for a like period of ninety-nine years the right to establish, operate and maintain a naval base at such place on the

territory of Nicaragua bordering upon the Gulf of Fonseca as the Government of the United States may select. The Government of the United States shall have the option of renewing for a further term of ninety-nine years the above leases and grants upon the expiration of their respective terms, it being expressly agreed that the territory hereby leased and the naval base which may be maintained under the grant aforesaid shall be subject exclusively to the laws and sovereign authority of the United States during the terms of such lease and grant and of any renewal or renewals thereof.

ARTICLE III

In consideration of the foregoing stipulations and for the purposes contemplated by this Convention and for the purpose of reducing the present indebtedness of Nicaragua, the Government of the United States shall, upon the date of the exchange of ratification of this Convention, pay for the benefit of the Republic of Nicaragua the sum of three million dollars United States gold coin, of the present weight and fineness, to be deposited to the order of the Government of Nicaragua in such bank or banks or with such banking corporation as the Government of the United States may determine, to be applied by Nicaragua upon its indebtedness or other public purposes for the advancement of the welfare of Nicaragua in a manner to be determined by the two High Contracting Parties, all such disbursements to be made by orders drawn by the Minister of Finance of the Republic of Nicaragua and approved by the Secretary of State of the United States or by such person as he may designate.

ARTICLE IV

This Convention shall be ratified by the High Contracting Parties in accordance with their respective laws, and the ratifications thereof shall be exchanged at Washington as soon as possible.

In witness whereof the respective plenipotentiaries have signed the present treaty and have affixed thereunto their seals.

Done at Washington, in duplicate, in the English and Spanish languages, on the 5th day of August, in the year nineteen hundred and fourteen.

WILLIAM JENNINGS BRYAN	[SEAL]
EMILIANO CHAMORRO	[SEAL]

And whereas, the advice and consent of the Senate of the United States to the ratification of the said Convention was given with the following proviso: "*Provided*, That, whereas, Costa Rica, Salvador and Honduras have protested against the ratification of the said Convention in the fear or belief that said Convention might in some respect impair existing rights of said States; therefore, it is declared by the Senate that in advising and consenting to the ratification of the said Convention as amended such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said Convention is intended to affect any existing right of any of the said named States; "

And whereas, the said understanding has been accepted by the Government of Nicaragua;

And whereas, the said Convention, as amended by the Senate of the United States, has been duly ratified on both parts, and the ratifications of the two governments were exchanged in the City of Washington, on the twenty-second day of June, one thousand nine hundred and sixteen;

Now, therefore, be it known that I, Woodrow Wilson, President of the United States of America, have caused the said Convention, as amended, and the said understanding to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twenty-fourth of June in the year of our Lord one thousand nine hundred and sixteen,
[SEAL] and of the Independence of the United States of America the one hundred and fortieth.

WOODROW WILSON

By the President:

ROBERT LANSING,
Secretary of State

File No. 817.812/237a

The Secretary of State to Minister Long

[Telegram]

DEPARTMENT OF STATE,
Washington, September 1, 1916, 5 p. m.

Press reports several occasions that Salvador has presented its case against Nicaragua to the Central American Court. Cable if this is true and if there are any new developments.

LANSING

File No. 817.812/238

Minister Long to the Secretary of State

[Telegram]

AMERICAN LEGATION,
San Salvador, September 3, 1916, 10 p. m.

Department's telegram September 1, 5 p. m. Salvador has presented its case against Nicaragua to the Central American Court of Justice. First knowledge of this came when it was published in *Diario Oficial* dated 29th ultimo, copy of which was forwarded in last Saturday's pouch. I am unable to discover that there are any new developments assigned. It seems that Salvador is following her disapprobation as expressed in the last paragraph of her note to this Legation dated March 3 ultimo. The text of the Nicaraguan answer to Salvador's note dated April 14 has been kept secret here save

only its conclusions in which Nicaragua makes clear that she proposes to make use of all the rights of justice and law to maintain intact the validity of this diplomatic negotiation

LONG

File No. 817.812/248

Minister Long to the Secretary of State

AMERICAN LEGATION,
San Salvador, September 23, 1916.

SIR: I have the honor to transmit herewith the *Diario Oficial*, No. 196, of August 29, 1916, containing the demand of the Salvadorian Government against Nicaragua with regard to the Bryan-Chamorro Treaty.

I have [etc.]

BOAZ W. LONG

[Inclosure—Translation]

Demand made before the Court of Justice of Central America by Salvador against Nicaragua, concerning the Gulf of Fonseca

THE HONORABLE COURT OF JUSTICE OF CENTRAL AMERICA:

The Chancellery of Salvador, representing the Government of Salvador, and, basing itself upon the convention that gave to the Court its legal existence, and with the high consideration due to the Court, complains of the Nicaraguan Government as follows:

On August 5, 1914, the Nicaraguan Government through its Minister, Don Emiliano Chamorro, accredited to the United States Government, signed a treaty with the Honorable William Jennings Bryan, then Secretary of State, by which Nicaragua consented to give certain privileges to the United States for the construction of an interoceanic canal, and ceded to the North American Republic for a term of ninety-nine years, renewable at the end of that time for a term of like duration, a certain part of the Gulf of Fonseca, for the purpose of establishing a naval base.

The clauses of the said treaty—which was approved by the Senate of the United States and by the Congress of Nicaragua—together with the amendments made by the said Senate, are contained in Annexes H and J hereto.¹

The stipulations of said treaty are by the Salvadorian Government considered highly prejudicial to the supreme interests of the Salvadorian nation, because they endanger its integrity and preservation, violate Salvador's undeniable rights of codominion in the Gulf of Fonseca, and injure her wholly legitimate aspirations as to her future as a Central American nation. The danger, the violation and the injury caused by said treaty are of such magnitude that the Government of Salvador is obliged to make this complaint, hereby made through this Chancellery, against the Nicaraguan Government, resting it on justice and the legality and proof of the principles which brought it into existence.

I

THE TREATY IS AN OFFICIAL ACT OF THE NICARAGUAN GOVERNMENT WHICH
ENDANGERS THE SECURITY OF SALVADOR.

No one can fail to see that the effect of establishing a naval base by a powerful State in the immediate vicinity of Salvador constitutes a serious menace to its free and independent life. This is not only because of the natural influence that the United States would perpetually have to exercise in regard to the most important questions concerning the national life of small neighboring States, as a necessary means of developing the efficiency and security of the proposed naval base. It is also and especially because the territory surrounding the Gulf of Fonseca, to an extent that cannot now be calculated, owing to the also

¹ Not printed.

incalculable future range and power of offensive armament, would be converted into battlefields on which the fate of the proposed naval base would be decided in any conflict between the United States and one or more military powers—to the certain destruction of the independence and sovereignty of the weak Central American States, as has already happened in somewhat similar conditions to the smaller nationalities during the present European War.

It appears indubitable that the Government of Nicaragua has not considered her action in this matter sufficiently to appreciate what she has done; there is no other explanation of her attempted defense of her action in making the Bryan-Chamorro Treaty. This defense is based on the inadmissible argument that she has limited herself to negotiating only in regard to the territorial jurisdiction which she alleges to belong exclusively to Nicaragua as a State, without "harming in the least the legitimate rights of Salvador or of any other Republic of Central America." (Annex M)*

In order to justify the foregoing assertion, this Chancellery will analyze Nicaragua's allegation of exclusive territorial jurisdiction, in the light of municipal and international law, and will show its scientific and legal worthlessness.

In the first place it denies that the Government of Nicaragua, in making the Bryan-Chamorro Treaty, has respected one of the most legitimate rights of a nation; that is, to defend its security and its very existence; since no nation has the right to place in danger the security and, least of all, the very existence of another nation. But this Chancellery declares that the fears entertained by the Salvadorian Government in regard to the national rights of Salvador are far from being unfounded. The Governments of even powerful States, for reasons not so clear and precise as those in the present case given, have recently shown signs of alarm, whereas they might have been expected serenely to rely on their material strength for the protection of their political existence whenever it was threatened.

In the case of Agadir, Germany in 1911 sought to possess herself of this Moroccan port in order to establish a naval base. France and Great Britain protested most energetically that Germany's failure to evacuate this port constituted a *casus belli*. This compelled Germany to make arrangements whereby without loss of national honor she could remove the naval forces which she had there. France adduced in this case the argument that the act of Germany constituted a menace to France's national security with relation to her colonies in Northern Africa; and England showed clearly that she was in accord with the reasoning of the Government of France; she could not but consider that the security of her commercial and political interests in the East were menaced by the establishment of a German military base at such a strategic point as Agadir, on the route of communications between England and her colonies in South Africa and so near the trade route between Gibraltar and India.

But the case of the United States with relation to Magdalena Bay is more typical. In this case the North American Government firmly opposed the sale, to a Japanese commercial company, by certain of her own citizens of lands which the Mexican Government had ceded to them, said lands lying on the shores of the bay. The affair went to the Senate and that body passed the so-called Lodge resolution. Senator Lodge's resolution stated:

That when any harbor or other place in the American continent is so situated that the occupation thereof for naval or military purposes might threaten the communications or the safety of the United States, the Government of the United States could not see without grave concern the possession of such harbor or other place by any corporation or association which has such a relation to another Government not American as to give that Government practical power of control for national purposes.

The American Review of International Law (Volume vi, page 938) where it refers in its editorial comments to the Lodge resolution states:

It is understood that in secret session for the last word but one "national" was substituted "naval or military."

And it continues:

A Senate resolution is an expression of its opinion. This resolution was intended to be an announcement of national policy to foreign Powers. It was introduced after information had been sought from the President on the subject. This went to show that the conduct of other Powers in regard to those lands had been entirely correct. In the discussion which lead up to and which followed the introduction of this resolution it appeared that its mover chose not to regard it as an extension of the Monroe Doctrine but as based upon

* Not printed.

the law or right of self-defense which is fundamental, the Agadir incident being a precedent. But in Africa the German action was official, governmental. Whereas at Magdalena Bay, as Senator Rayner had well brought out in May, it was a question of private commercial use only. Has the United States a right to assume that private commercial use of such a harbor as this, could be so easily converted into Government use as to warrant its prohibition before any sign whatever of abuse or of danger was visible? That the Senate so believes is clear, for it passed the Lodge resolution. That the legal mind shares this view is not so clear. Let us state it in general terms. On the ground of self-defense a State may forbid its neighbor to sell lands of strategic value to the private subject of a third Power, there being no act, but mere suspicion to warrant the fear that the third Power will make sinister use or its subjects' property. What becomes of the sovereign rights of the neighbor to dispose of its lands, for commercial development? If the principle of self-defense is unduly stretched, will it not break down and become ridiculous? Is an attitude of constant suspicion consistent with international good will? These are doubts which can fairly arise from the Lodge resolution.

The Lodge resolution causes doubts to arise in the legal mind because the principle which it upholds does not refer to official or governmental acts but shows—and it is for this reason that this Chancellery cites the case—to what point, in the opinion of the United States Senate, even a very powerful nation can extend its apprehension in its zeal for national security. It further appears in the Lodge resolution that the Senate's opinion of the treaty conforms perfectly to Salvador's, in spite of the fact that the Senate, in amending and approving it, declared that the treaty does not contemplate affecting any existing right of Costa Rica, Salvador and Honduras, which it nevertheless recognizes as having protested their fear of the contrary. This declaration of the Senate of the United States does not at all agree with the spirit of the Lodge resolution, nor with the consensus of opinion which the Senate had sustained in making the declaration.

The statement, therefore, made by Nicaragua in justification of the Bryan-Chamorro Treaty—that the treaty was made "without harming in the least the rights of Salvador or of any other Republic of Central America"—contradicts what has been held by other nations, the United States among them; and the fears of Salvador are found to be even better justified than those of England and France in the Agadir case, and of a more real and definite character than the fears of the United States in the case of Magdalena Bay and other analogous cases contemplated by the Lodge resolution.

II

THE BRYAN-CHAMORRO TREATY IGNORES AND VIOLATES THE RIGHTS OF DOMINION WHICH SALVADOR HAS IN THE GULF OF FONSECA

In the xvi century this gulf was discovered by the Spaniards that conquered Central America and named the gulf in honor of the President of the Council of the Indies, which was at the head of the government of these territories in representation of the Crown of Castile. It belonged to the mother country throughout the Spanish régime; her right of exclusive dominion over its waters were never in doubt. When Central America was liberated the sovereignty over the gulf passed to the Federal Republic formed of the five States.

The exclusiveness of the Spanish dominion over these waters during the Spanish rule; of the Federal Republic's dominion after the emancipation of the Central American States; and, finally, of the dominion of the three States surrounding the gulf—Salvador, Honduras and Nicaragua—all these are evidenced, among other things, by the fact that no other nation has used or sought to use these waters for fishing and such other purposes.

The Government of Nicaragua holds that the waters of the Gulf of Fonseca are not held in common by the three States. But as said waters were held many years by single political entities, first Spain and afterwards the Federal Republic of Central America, it is certain that at the dissolution of the Federal Republic the three riparian States surrounding the Gulf of Fonseca acquired in common a dominion over it, since at the Federal Republic's dissolution no provision was made for delimiting the sovereignty of the said riparian States. And it is not material whether or not Honduras and Nicaragua, in consequence of the Boundary Convention of October 7, 1894, fixed in 1900 a dividing line between themselves in the Gulf of Fonseca; the convention did not include Salvador, indispensable to the validity of any act which was the concern not alone of Honduras and Nicaragua but also of that third sovereign State.

This antecedent, then, affects the question in no fundamental. On the contrary, it shows—as does the ineffective action taken in 1884 by Salvador and

Honduras with the same end in view—that the riparian States always considered their dominion over the waters of the Gulf of Fonseca to be indivisible.

The Nicaraguan Chancellery in the memorandum of the Minister for Foreign Affairs presented to the National Congress in the year 1914, after explaining that between Honduras and Nicaragua a fixed boundary line had been made dividing the waters of the Gulf of Fonseca by virtue of the convention above mentioned, states as follows:

There does not exist, then, any community between Nicaragua and Honduras in the Gulf of Fonseca; and as Salvador is not contiguous to us, and the Republic of Honduras being between, there is not and can not be community with Nicaragua as alleged in the Salvadorian protest.

Furthermore, there is a difference between the state of union and indivisibility of the waters of a bay and that of an inheritance or farm; for, respecting the former, the general principle of ownership by the nation of the adjacent coast waters applies, and it is supposed that the land boundaries set the limits of territorial waters. The same principle does not exist with farms or other land property, for the copartners can have recourse to the civil law for a settlement of the adjacent sections owned in common.

No nation can have a right to more of the waters of a bay owned in common with other nations than the proportion marked by the extent of its coast boundary; and with the Republic of Salvador placed at the extreme northwest of the Gulf of Fonseca and Nicaragua placed at the extreme southeast and separated by Honduras, it is impossible that the marine dominion of Salvador can extend an inch farther in this direction than the marks or limits of its coast boundaries which separate it from Honduran Territory. (Annex M)*

The paragraphs copied from the memorandum contain the opinion of the Nicaraguan Chancellery. This opinion presupposes that the sovereign dominion of Salvador does not extend over the waters of the Gulf of Fonseca so as to conflict with the sovereign dominion of Nicaragua and of Honduras. Furthermore, she bases this on the marking made in 1900 of the boundary of the gulf waters between the last two Republics.

This Chancellery will now show: first, that the stand taken as abovesaid by the Nicaraguan Chancellery is not in conformity with the facts as they are regarded by international law; and, second, that the boundary line to which the Nicaraguan Chancellery refers can in no manner produce the effect which that country expects of it, of restricting the co-sovereignty and co-dominion that Salvador has had in Fonseca Bay from the time of the dissolution of the Central American Federation to the present, because it was not a party to the boundary convention, nor intervened in any form in the acts which culminated in the fixing of the boundary.

The Gulf of Fonseca, because of the form, previously explained, in which sovereignty over it was exercised from the sixteenth century, belongs, as the Salvadorian Government showed in its protest to the Department of State of the United States, to the category of "historical bays," for the same reason as the Chesapeake and Delaware on the coasts of the Great Republic of the North, and those of Concepcion, Chaleurs, and Miramichi in the Dominion of Canada.

This Chancellery refers to the whole of the argument it has laid before the Department of State of the United States, to show that the Gulf of Fonseca is a bay which should be considered as under the exclusive dominion of the States which own its shores.

The doctrines which it has supported in this matter and on other points connected with this pleading (Annexes A, C, Ch, E, I and K)* since the conclusion between the Governments of the United States and Nicaragua of the Chamorro-Weitzel Treaty on February 9, 1913, (replaced later by the Bryan-Chamorro Treaty) are clear doctrines which have their foundation in principles admitted in international law.

One explanation only is to be added. The circumstances of there being not one State only, but three—Salvador, Honduras and Nicaragua—who possess the coasts of the Gulf of Fonseca, does not oppose in any manner, as may be supposed, the application of the principle of territorial bays to the Gulf of Fonseca. These three States, owners of the shores which surround the gulf, are not States that in the course of their history have always been independent of each other, but, on the contrary, States that once formed part of a single international political unity and they still recognize in their fundamental codes that they are separate portions of this larger entity. This case cannot be compared, consequently, with that of the Gulf of Bothnia in the Baltic Sea, for example, nor with the Black Sea. In those and all analogous cases

* Not printed.

certain writers have held that a bay is not to be considered closed unless, among other conditions, its coasts belong to a single nation. But it should not be forgotten nor ignored that this opinion is founded on the fact that the States who own the coasts, have been States which never have formed a single international entity. Russia and Sweden, in the first example, have never been a single nation; nor in the second example the States which surround the Black Sea, as Russia and Turkey (Bulgaria and Roumania, now independent States, formed for three-quarters of a century a part of Turkey).

This is, without doubt, the reason that serves as a basis for the theory of those writers. There was lacking, in fact, all philosophic foundation for the intent to convert into closed bays the waters off the coasts of nations who have always been independent of each other. It is not so when nations are no more than separated parts of a former international political unity, as were Salvador, Honduras and Nicaragua, whose exclusive dominion was derived from this larger international political unity, which continues to be common to the separated States.

The Gulf of Fonseca, apart from being an "historical bay," presents further the particular condition that its entrance at the Islands of Meanguera and Meanguerita, on a line from Punta Chiquirín on the main coast of Salvador to Punta Rosario in the northeastern section of the Nicaraguan promontory of Cosigüina is not greater than that which international law allows for bays considered as "territorial or closed." That width is generally fixed by the treaties at ten miles, although some writers have amplified it to twelve miles, establishing the fact that when a line called *inter fauces terrae* does not go over the aforesaid ten or twelve miles, the bay should be considered as "territorial or closed."

The geographical situation of the Salvadorian islands in the Gulf of Fonseca which are separated from each other and from Punta Chiquirín by narrow straits whose bottoms are covered with sand banks impeding in some of these straits the passage of ships of larger tonnage, and in others allowing passage only by making soundings, are elements sufficiently in conformity with international law to warrant the conclusion that this chain of islands constitutes a prolongation of the national territory of Salvador in the Gulf of Fonseca; so that the terra firma of Salvador extends, along the line just described, to the island of Meanguerita, and reduces the entrance to the gulf at this place, towards Punta Rosario on the Nicaraguan coast, to less than ten miles.

This Chancery affirms that this entrance is less than ten miles because the scale so shows on the maps used in Salvador, Honduras and Nicaragua, in which it can plainly be seen that the main opening of the gulf is at the widest only 35 kilometres, which, at the rate of 1 kilometer per .539 nautical mile (one sixtieth of a degree of latitude), is 18.865 miles. (See Lloyd's Calendar for 1916, page 215: Nautical Measures.) The width of the strait between Meanguerita and Punta Rosario is only one-half of this, or less; that is, 9.432 miles. Even so, the sand banks on the Nicaraguan territory prolong that side, so that the opening is even narrower. This is in accord with the technical information contained in the attached documents (Annexes O and P).⁵

Bynkerschoek, who originated the general maxim *imperium terrae finiri ubi finitur armorum vis*, in his work *Disertatione de Dominio Maris* says:

I am of the opinion that the possession of an adjacent sea should extend as far as it can be considered subject to the land; certainly only as far as this can it be well defended, even when it is not constantly navigated, and to that point the possession the law is protected; for there is not doubt that the possession of a thing in such a manner that no other can possess it without permission means that it is possessed continually. So we do not claim dominion over the adjacent sea further than we can exercise dominion from the land. . . . It thus appears more just to say that the dominion of the land (over the sea) reaches as far as the reach of projectiles, for to this point we not only dominate but also possess it. I am moreover speaking of the present, in which we are using these machines; in other times one could say generally that the dominion of the land (over the sea) is limited to where or as far as the power of its arms extended; for this, as we have said, protects possession.

Legal writers have applied the rule of Bynkerschoek to mark the limit of sovereignty of nations over the water; and in order to determine whether or not the waters of a bay were territorial it was necessary that the entrance be capable of being defended; and in this way has come in use the principle of *inter fauces terrae* which some have placed at ten miles and others at twelve miles.

⁵ Not printed.

The celebrated Swiss law writer, Emer de Vattel ("Le droit de Gens ou Principes de la Loi Naturelle," 1775, Vol. 1, page 142) wrote in 1758 the following:

All that we have said regarding that part of the sea adjacent to the coast can be applied with more reason to bays and straits, for these are more susceptible of occupation and of more importance as security to a nation. I refer to the bays and straits of small size and not to these vast extensions of the sea that occur in Hudson Bay and the Straits of Magellan, over which dominion could not be extended, and much less so the rights of property. The bay whose entrance can be defended is susceptible of possession and can be subject to the laws of the sovereign State; and this is of importance because a country can more easily be attacked from these smaller bays and straits than on the open coast exposed to the winds and the violence of the waves.

Germany, Belgium, Denmark, France, Great Britain, and Holland signed on March 6, 1822, a convention in which the fisheries of the North Sea were regulated, outside of territorial waters. In Article 2 of this treaty was acknowledged the exclusive right of the fishermen of each nation to fish within the radius of three miles from low-water mark.

"For bays," says the article, "the radius of three miles should be measured from a straight line drawn across the bay at the point nearest its entrance and at the first place in which the entrance does not exceed ten miles."

The doctrine which we may call the promontory doctrine, was fixed with good judgment in the convention between Great Britain and France of August 2, 1839, in which it was agreed:

That the distance of three miles established as the limit of the exclusive right of fishing on the coasts of the two States should be measured, in the case of bays whose mouths do not exceed ten miles in width, from a straight line drawn from promontory to promontory.

Sir Robert Phillimore, one of the most distinguished English writers on international law of the middle of the nineteenth century, Counsellor to the Crown of England, referring to the limits of territorial waters, in his work "International Law" Vol. 1, page 179, says:

Various have been the claims made and various have been the opinions in different epochs of history as to how far absolute property and jurisdiction extend, but the general rule which can be considered as rationally established now is that property and jurisdiction do not extend, except by special provisions in treaties or by use which has never been questioned, any further than a marine league (three miles) or the distance of a cannon-shot fired from the shore at low tide. . . . "At sea, out of reach of cannon fire," says Lord Stowell, "universal custom is presumed." This is the limit of absolute possession and jurisdiction; but the rights of independence and of self-preservation in time of peace empowers a nation to prevent foreigners from abusing their economic laws even outside of this fixed limit; and Great Britain and the United States have provisions in their laws against frauds being practiced against their economic interests, prohibiting transshipping alien products within the radius of four marine leagues (twelve miles) from their coasts, and they have exercised their jurisdiction in this way in times of peace, and impeding, in times of war, the movements of belligerent ships within that radius as being too near the coasts of neutral countries, because they are a menace and an alarm to the ships in their exit and return to these shores.

The Institute of International Law, whose members are among the greatest statesmen and thinkers of the world, in a session in Paris in March 1894, adopted the following resolutions with relation to territorial seas:

Article 2. Territorial waters extend six miles from the low-water mark along the whole coast.

Article 3. In the case of bays, territorial waters follow the sinuosity of the coast, except that it is measured from a straight line across the bay in that part nearest the opening into the sea and between the two points of the opposite shores whose distance is twelve miles or less apart, if from continual or immemorial use a larger distance has not been in use. (Annuaire de l'Institut de Droit International, Vol. XII, 1894, page 329.)

The articles were adopted by the Institute by a large majority. M. Edouard Rolin of Brussels, at the proposal of twelve miles in place of ten, said "that this distance was double the six miles which was fixed for territorial waters, and for this reason it adapted itself better to the logic of the project."

The doctrine which Salvador sustains with relation to the Gulf of Fonseca has been declared and recognized by both Great Britain and the United States in the arbitration at the Hague on September 7, 1910, of the question of fisheries. The award says:

It has been further contended by the United States that the renunciation applies only to bays 6 miles or less in width *inter fauces terrae*, those bays only being territorial bays, because the 3-mile rule is, as shown by this treaty, a principle of international law applicable to coasts and should be strictly and systematically applied to bays.

But the tribunal is unable to agree with this contention: (a) Because admittedly the geographical character of a bay contains conditions which concern the interests of the territorial sovereign to a more intimate and important extent than do those connected with

the open coast. Thus conditions of national and territorial integrity, of defense, of commerce, and of industry are all vitally concerned with the control of the bays penetrating the national coast line. (For. Rel. 1910, p. 562.)

In conformity with the axiom of Brynkerschoek relative to territorial dominion over the adjacent sea to as far as the reach of cannon fire, Salvador many years ago declared that the territorial waters of the Republic on the coast of the Department of La Unión, include the Bay of Conchagua, that part of the Gulf of Fonseca in which are situated the Salvadorian islands and the territorial waters parallel to the Boca Oriental of the San Miguel River. (Article 13, No. 1 of the Marine and Navigation Law; Annex N)⁵

Consequently the Gulf of Fonseca is totally closed on that side, because what is called *dominium*, and especially *imperium*, extends according to international law, twelve miles, and the distance between Meanguerita and Punta Rosario on the promontory of Cosigüina, as has been said, is not even ten miles. Salvador can and does exercise the right of *imperium*—that is, the right of policing, for the security of the country and observance of the laws—to as far as the coast of Nicaragua on the Gulf. Therefore, as Nicaragua can exercise the same right to the same extent and for the same objects, the waters between the Salvadorian islands and the main coast of Nicaragua are, from every point of view, common waters of the two States, which neither State can dispose of, exclusively and without the consent of the other cosovereign and coowner, in order to give a foreign nation land for a naval base, or for any other purpose not within the limits of what is known as "innocent use."

The well-known writer Don Andrés Bello says:

Sovereignty over things is called *dominium*, while over persons it is called *imperium*. The functions of the two frequently mix and the same act may pertain to either *dominium* or *imperium* according as it concerns things or persons. There are, however, certain objects of domestic administration as to which the exercise of *imperium*, and consequently of jurisdiction, is tolerated outside of the territorial limits.

He cites as supporting examples a British statute of George II which prohibits the transshipment of merchandise within a distance of four leagues (twelve miles) of the coast without paying duties; and an act of the North American Congress dated March 2, 1799, containing the same prohibition. He mentions the significant words of the noted judge Sir William Scott, who declared in the case of the *Louis* that:

The right of visit and search in time of peace is given to maritime states within certain limits of the adjacent waters which through the comity of nations have been considered as part of the dominions of those states for various domestic objects and above all for those of defense and revenue, which are those most immediately concerned with their safety and well-being; such are our laws of maritime preservation which subject foreign ships to this examination, at moderate distances from the coasts.

This doctrine has been upheld in many decisions of the Supreme Court of the United States as "being in conformity with the laws and uses of nations." And France has exercised it by means of her customs ships to the distance of four leagues, or twelve miles, from the coast.

It is not disputable, therefore, that for fiscal and defensive purposes the nations can exercise the right of *imperium* to the above-mentioned distance, which evidently implies that the jurisdictional waters of Salvador, Nicaragua and Honduras in the Gulf of Fonseca—contrary to the claim made in the above-mentioned memorandum of the Department of Foreign Affairs of Nicaragua—merge in each other and are blended, and that those States can exercise in them the same rights of police and defense; they are consequently waters in which they exercise their rights of cosovereignty and coownership. And it may be added that the mingling of waters belonging to two States, in gulfs, bays, straits or rivers, has always been called *condominium* or *community*, as is shown in all treatises on international law and by such writers as Fiore, Bluntschli, Perels and Heffter; and the doctrine of condominium, co-ownership or co-sovereignty was taught by the father of international law, Hugo Grotius, in his work *De Jure Belli ac Pacis*, Book II, Chapters 3, 7 and 8.

Referring to the ten or twelve miles to which the dominion over adjacent waters extends, not only England, the United States, France, Salvador, Honduras and Nicaragua have in their laws noted this marginal zone of jurisdictional waters, but also Chile in Article 593 of her Civil Code, and Argentina in her No. 1 of Article 2340 of her laws, hold the same view.

⁵ Not printed.

The distinguished North American jurist Chancellor James Kent, in his well-known "Commentaries on American Law," in speaking of the obligations contracted by States by virtue of international treaties, states as follows a principle that has been received without controversy into the body of international law:

Nations are at liberty to use their own resources in such manner and to apply them to such purposes as they may deem best, provided they do not violate the perfect rights of other nations, nor endanger their safety, nor infringe the indispensable duties of humanity. (Vol. I, pages 25-26.)

The stipulations of the Bryan-Chamorro Treaty are contrary to the principle stated so clearly by Chancellor Kent; for, although they may tend, as claimed by Nicaragua, to the development and progress of Nicaragua as a nation, they nevertheless imperil the security of Salvador and violate and ignore the right of codominion which she has in the waters of the Gulf of Fonseca.

III

THE TREATY INJURES THE PRIMARY INTERESTS OF SALVADOR AS A CENTRAL AMERICAN STATE.

The Constitution of Salvador declares Salvador to be a separate part of the Republic of Central America, and that, as such, it has the capacity of concurring with any or all of the Central American States in organizing a common national government.

This declaration is made in one form or another in the constitutions of the other States of Central America. That of Nicaragua contains it in Article 2, which will be quoted further on. In that article, after stating that the Government cannot enter into a treaty opposing the independence and integrity of the nation or affecting in any manner the sovereignty of the State, exception is made of treaties "which deal with a union with one or more of the Central American Republics." Article 262 shows how treaties of this kind are to be ratified and declares that when such a treaty shall have been signed and ratified the Constitution itself is thereby automatically amended, without recourse to the method prescribed in Title xxiii.

Alienation of territory by a Central American State to a foreign power results, consequently, in diminishing an important interest which the Salvadorian people have always had and continue to have in view as one of their greatest and most legitimate aspirations; namely, that of forming with the sister States the Great Nation, mistress—without any diminution—of the patrimony of them all, since all have a common origin, religion and history. Alienation of any of this territory would deeply wound this aspiration and affect the great interests of the Salvadorian people, as a part of the people of Central America, for its territory is of primary importance to its future national life. These interests Nicaragua and the people of the other three States recognize, appreciate and sustain, as is shown by many acts of their independent lives, among them those that culminated at Washington in 1907, terminated with the "Washington Conventions," one of which brought into being the honorable tribunal before which this demand for justice is made by the Salvadorian Government, represented by this Chancellery.

The preceding considerations serve to explain what follows referring to Article 2 of the General Treaty of Peace and Friendship; for all measures for alienation of Central American territory to a foreign nation, far from contributing to the stability of the States which form the central portion of the American continent, would on the contrary initiate a régime entirely opposed to the purest and noblest aspirations to liberty and progress of their people, the only aspirations that can assure their future stability and the position they should hold in the family of nations.

For this reason the Salvadorian Chancellery lays special stress on this paragraph in support of the demand which it puts forward in the name of the Government of Salvador; and it is sure that this Honorable Court will appreciate in full the intrinsic defect of the Bryan-Chamorro Treaty, as its stipulations are contrary to the constitutional laws of Nicaragua, of the constitutional laws of Salvador and of those of the other central American States, joined together in their larger interests and constant in their desire for the reconstruction of the fair nation which was willed to us by the great men of the Revolution.

IV

THE TREATY IS CONTRARY TO ARTICLE 2 OF THE GENERAL TREATY OF PEACE AND FRIENDSHIP SUBSCRIBED TO BY THE CENTRAL AMERICAN REPUBLICS IN WASHINGTON SEPTEMBER 20, 1907.

With reference to this point the argument is sufficiently clear, and the attention thereto of the Honorable Court need be but brief.

According to the text of Article 2 of the Convention of Peace and Friendship, the five Central American States promise not to alter in any form their constitutions. Why? Because, the article states, the delegates considered all alteration in those laws a menace to the peace and security of each one of the States which they represented and of Central America in general, and contrary to their political stability and the prestige with which they should surround themselves. The intention of these Delegates—faithful interpreters of the national spirit of Central America—was to remove danger from Central American peace, and they could foresee that the greatest peril of all lay in possible alterations of the constitutional order, established in each Republic, at the present time established on the most advanced principles of constitutional law.

We should understand "constitutional order" to comprise not only the form of government adopted by the fundamental law of a State, but also all rules or standards accepted by the Constituent Assemblies representing the peoples; and in the highest rank of these are to be found the rules or standards of independence, sovereignty and integrity.

The Constitution of Nicaragua therefore prohibits the negotiation of treaties that in any way impair the territorial integrity or the national sovereignty and not for a moment can it be questioned whether or not the peace, that is, the security and tranquility, of Central America would be menaced by the act of one of the States in adopting in any particular another rule of constitutional conduct and permitting the cession or the abandonment of its territory to alien nations.

V

THE TREATY CANNOT BE LEGALLY CONSUMMATED.

Article 2 of the Political Constitution in force in the Republic of Nicaragua reads:

Sovereignty is single, inalienable and imprescriptible, and resides essentially in the people, from whom the offices which the Constitution and laws establish derive their powers. In consequence, pacts or treaties cannot be contracted which oppose the independence or integrity of the nation or which affect in any way its sovereignty, excepting those which deal with a union with one or more of the Central American Republics.

This article is a fundamental rule which the former political constitutions of Nicaragua have sanctioned, and which the Nicaraguan people have wished to see respected by the public authorities.

This article explicitly and completely opposes the stipulations of the Bryan-Chamorro Treaty, by which the Nicaraguan Government not only would cede to the Government of the United States a section of the soil of Nicaragua for the construction of an interoceanic canal—the Corn Islands in the Atlantic and a strip of territory to be selected by the North American Government on the coast of the Gulf of Fonseca—but, according to the amendments made by the Senate of the United States in Article III of the treaty, would also limit its sovereignty in fiscal matters.

Consequently these stipulations of the treaty are absolutely invalid, especially in the case of a nation entering upon a treaty with another nation whose fundamental laws oppose such a pact, and knowing beforehand that such is the case, and when, furthermore, such stipulations would damage the primary rights of a third nation.

VI

DIRECT MEANS OF AGREEMENT EMPLOYED WITHOUT SUCCESS

The Government of Salvador has endeavored to discuss with Nicaragua the right of Salvador to oppose the consummation of the Bryan-Chamorro Treaty, and to this end sent a note to the Nicaraguan Chancellery, copy of which is

contained in Annex L. This note was delivered to the Minister for Foreign Affairs of Nicaragua on May 4 of this year. As no reply has been made to that note, there is no possibility of agreement between the Salvadorian Government and the Government of Nicaragua and Salvador is therefore justified in concluding that Nicaragua refuses any negotiation of this affair between the two Chancelleries; consequently, the condition has materialized—which, however, Salvador does not deem essential—which is contained in the final clause of Article I of the Convention for establishing this Honorable Tribunal, as subscribed to in Washington on the 20th of December, 1907.

NOTE—" * * * in case the respective Departments of Foreign Affairs should not have been able to reach an understanding."

VII

PETITION

For all the reasons above stated, the Salvadorian Chancellery, in the name of and representing the Government of Salvador, complains of the Nicaraguan Government, in order that she be ordered to abstain from observing the Bryan-Chamorro Treaty, subscribed to in Washington on the 5th of August, 1914, and prays:

First, That this Honorable Court receive and hear the complaint hereby made, together with the Annexes which accompany it.

Second, That in conformity with the text and spirit of Article XVIII of the said treaty, the Court fix the situation in which the Government of Nicaragua must remain and that the things treated of in the Bryan-Chamorro Treaty be conserved in *statu quo* pending a final decision.

Third, That in the final judgment Nicaragua be compelled to abstain from fulfilling the Bryan-Chamorro Treaty and,

Fourth, That the Honorable Court harmonize the rest of the condemnations arising from this action.

F. MARTÍNEZ SUÁREZ

File No. 817.812/257

Minister Hale to the Secretary of State

No. 102

AMERICAN LEGATION,
San José, October 16, 1916.

SIR: I have the honor to report that I have received from the Foreign Office a note which says (translated):

In view of the fact that your excellency's Government may be interested in knowing the decision rendered by the Central American Court of Justice in the demand filed by the Government of Costa Rica against the Republic of Nicaragua, which demand refers to the Bryan-Chamorro Treaty, I have the honor of transmitting to you, attached, a copy of *La Gaceta-Diario Oficial* of the 7th instant, in which is published the said decision.

In fulfilling this debt of courtesy, I have [etc.]

Enclosure is the copy of *La Gaceta-Diario Oficial* referred to in the Foreign Office's note.

I have [etc.]

E. J. HALE

[Inclosure—Translation]

CENTRAL AMERICAN COURT OF JUSTICE,
San José, Costa Rica, 7 o'clock p. m. of September 30, 1916.

Having seen, for the purpose of passing thereupon after performing the legal formalities, the proceedings begun and sustained by the Government of the Republic of Costa Rica against the Government of Nicaragua on account of the latter having concluded with the United States Government a treaty relating to the construction of an interoceanic canal.

PRELIMINARY CHAPTER

Whereas: On March 24 of the present year, Licenciado Luis Castro Ureña, on behalf and in representation of the Government of Costa Rica, according to the power of attorney which he exhibited for the purpose, presented to this court a suit against the Government of Nicaragua, setting forth the grounds, of fact and law, on which he bases his claim, as well as the evidence which he considered pertinent to the action begun.

I

As the court happened to be incomplete, owing to the absence of the member from Nicaragua, and being therefore unable to decide as to the first step to be taken on the suit filed, the Permanent Commission proceeded to take the necessary measures for the immediate convening of the court in full, for which purpose it sent a telegram to the absent official asking him, if he deemed proper, to give up the enjoyment of the days of leave which still remained to him, for the reason that a suit had been filed by the Government of Costa Rica against the Government of his own country; and, anticipating that the said Magistrate might be unable to return immediately to occupy his post, the Permanent Commission also communicated the case to his excellency the Minister of Foreign Relations of Nicaragua, asking him to issue the necessary instructions in order that the proper substitute judge might come and make up the quorum of the court.

Whereas: In answer to the invitation, the absent Magistrate replied that he would endeavor to return to Costa Rica on the next steamer and that in case it were impossible for him to do so, he would give immediate notice to the Department of Foreign Affairs of his country; and this High Official on his part, in a telegram dated April 1, stated that he was apprised of the suit filed before the Court and that he considered answered the telegraphic communication which had been sent him by the Secretary of the Permanent Commission, by transcribing the reply he had given to His Excellency the Secretary of Foreign Affairs of Costa Rica when the latter gave notice, in turn, of the filing of the suit and of the grounds which actuated the Government of Costa Rica in bringing the action. In the reply mentioned the Nicaraguan Foreign Office states, among other things, that its Government, in reaching an agreement with the United States Government on the matter concerning which the suit is brought, confined itself to the exclusive territorial limits of Nicaragua, which belonged to it as an independent State, in endeavoring solely to promote its welfare and progress and entirely respecting the integrity and the legitimate rights of the other Central American Republics. And whereas Nicaragua has at all times been fully able to conclude treaties of the nature of the Chamorro-Bryan Treaty and is by no means disposed to consent that it be disputed in its exclusive rights of sovereignty as inherent in the Nation. And whereas, as far as Costa Rica is concerned, all questions which were pending at a previous period with Nicaragua in regard to boundaries and to participation in the Inter-oceanic Canal were settled once and forever by the award of President Cleveland.^a And whereas Nicaragua has strictly complied with that award, just as she will comply therewith when it comes to granting concessions for constructing the interoceanic canal; but as regards the rights which the award insures to Nicaragua as sole sovereign over the territory on which said canal would be constructed and as absolute owner of the profits which the country may reserve to itself in compensation for the favors and privileges granted by its Government, it will not permit them to be placed in judgment, for by its very nature the award is not subject to revision or interpretation by any tribunal of arbitration. And whereas it is beyond the jurisdiction of the Central American Court of Justice to admit a suit such as that brought by the Costa Rican Government, for according to Article I of the Washington Convention creating the Court, the latter can acquire the character of a Tribunal of Arbitration only in order to take cognizance of controversies or questions arising between the contracting parties in case the respective Foreign Offices have been unable to come to an agreement, and the participation of the Court

^a For. Rel. 1888, p. 456 et seq.

is permissible only, in accordance with the tenor of the article cited, in case no agreement has been possible among the parties after the necessary diplomatic controversy has taken place. And whereas the Department of Foreign Affairs of Costa Rica has at no time expressed to that of Nicaragua, directly or indirectly, even an inkling that would reveal the disagreement of the Costa Rican Government regarding the conclusion of the Chamorro-Bryan Treaty; and whereas, for these reasons the Nicaraguan Government considers the suit brought to be impertinent and without the jurisdiction of the Central American Court of Justice, and, being sure that it is right, it trusts that this (the justice of its contention) will be fully recognized by the tribunal, which will therefore abstain from any proceeding; and whereas, the action of the Central American Court of Justice in this matter being null and in violation of the Washington Convention of 1907, the Nicaraguan Government hopes that the Court will refrain from taking cognizance of the case out of respect for the clear, explicit and positive wording of the Compact.

II

In a telegram April 26 of this year, the Nicaraguan Foreign Office transcribed to this Court the answer it had given to another dispatch from the Costa Rican Foreign Office; and this answer ratifies and enlarges upon the ideas embodied in the message referred to in the preceding paragraph, adding that Costa Rica aspires to have the Court declare Nicaragua legally disqualified to conclude conventions of the nature of that signed on August 5, 1914, between the latter Republic and the United States; and that in this connection the Nicaraguan Government hastens to declare again that Nicaragua has not only always been and will always be perfectly qualified from a legal standpoint to conclude and execute conventions of that nature, but that she considers it offensive to her honor as a free and independent nation to discuss acts which are peculiar to her sovereignty and which cannot in any case be the subject of arbitration; that as regards the Cleveland Award, regarding whose interpretation Costa Rica thinks there are differences of opinion which ought to be taken into account by the Central American Court, which should state which of the two Governments is in the right, the Nicaraguan Foreign Office remarks that, as the award in question decided once and for all the differences which formerly existed between the two countries in connection with the boundaries and participation in the interoceanic canal, there is no room for belief, owing to the nature of that decision, that the question is subject to the interpretation of any Tribunal of Arbitration, for if arbitral decisions were subject to revision at the will of any of the parties, an award of that character would never become final in nature and the disputes between nations would never end. And whereas, moreover, there is no doubt but that the right possessed by the Central American Court of Justice to act in certain cases as a Tribunal of Arbitration is expressly confined to those questions which may arise between nations after the date on which the convention concerned went into force with respect to the contracting parties; but under no pretext, even violating the letter and spirit of the compact, could this right be extended to cases decided prior thereto; and on the other hand there is no disagreement existing between the two Governments in regard to the mode of interpreting the Cleveland Award; and supposing that the Costa Rican Government should come to have doubts as to the value and scope of that award, this Court would not in any case be the one called upon to interpret it, nor would those doubts affect the Chamorro-Bryan Treaty, which is wholly disconnected with the case. And whereas for these reasons the suit lacks any ground or basis; and in view of what was stated above and for the other reasons adduced in the telegram of April 1, the Central American Court of Justice ought to refuse to entertain the suit filed by the Costa Rican Government, for otherwise it would commit a flagrant violation of the convention which created it, besides which any action it might take would be null and void.

III

Owing to the return of the Nicaraguan magistrate, the Court again had its legal quorum on April 24, and in a session of May 1 it took into consideration the suit filed, which contained the following matter which is set forth in separate parts in Chapters I and II of this award.

FIRST PART

CHAPTER I

REASONS OF FACT

Whereas: The representative of the High Complainant Party stated in his petition the following grounds:

I

At the beginning of April, 1913, the Government which he represents became aware, through private channels, that the Legislative Assembly of Nicaragua had just given its approval in secret sessions to a Treaty, also secret, concluded between the Government of Nicaragua and that of the United States for the opening of an interoceanic canal through Nicaraguan territory, among other things. This initial notice led the Costa Rican Government to instruct its Minister in Nicaragua to address to the Government of the latter Republic a formal diplomatic protest against the ratification of the Compact in question, relating to a canal, inasmuch as the Costa Rican Government thought and continues to think that this act constitutes a flagrant violation of the treaties existing between the two countries and of the Cleveland Award:

II

During the same days when the aforementioned diplomatic protest occurred, the Minister Plenipotentiary of Costa Rica at Washington, following instructions from his Government, presented to the United States Government another diplomatic protest against the conclusion, by Nicaragua, of the aforesaid Canal Convention, stating in the protest, as had been done in that made to the Nicaraguan Government, that the Convention could not help being held void as of right, in view of the lack of legal standing ("personality") of Nicaragua to conduct negotiations along these lines without first consulting the opinion of Costa Rica in regard thereto and even obtaining her acquiescence, as the case might be.

III

His Excellency the Minister of Foreign Affairs of Nicaragua, in a note of June 12, 1913, answered the protest of the Costa Rican Minister by stating to him that

the Government of Nicaragua made use of an indisputable right of sovereignty in concluding with the United States the Convention of February 8, 1913, which it keeps secret owing to considerations of an international character in which it is not alone concerned; however, it positively declares that in concluding this compact it did not disregard any right belonging to Costa Rica; nor did it commit a violation of the treaties existing between the two nations; that the convention "tends to seek as far as possible the construction of the interoceanic canal by an exclusively Nicaraguan route;" that "it is merely a question of a right of preference, granted to the United States, for the opening up of an interoceanic waterway along the route to be designated in the national territory, when the excavation is decided upon by agreement of both Governments and it is determined by means of a convention or treaty between the two parties what shall be the conditions under which the canal is to be constructed, operated, and maintained;" that "inasmuch as it is a mere matter of option regarding a canal concession, Nicaragua, as sole sovereign of the territory which would be the seat of the gigantic enterprise, is entirely within her indisputable rights in making the aforesaid promise by and before herself;" and that "Owing to all the foregoing * * * the ideas embodied in the note giving rise to the present communication are in every respect without ground, for, as it has been demonstrated, with abundance of reasons and arguments, there was not, at the time of conclusion of the said convention, any violation on the part of Nicaragua of existing treaties nor discourtesy toward Costa Rica, neither was there a disregard or forgetting of her legitimate rights."

IV

La Republica, an independent newspaper of this city, in its No. 8810 of July 4, 1913, published the text of the treaty which, according to the same newspaper, had been framed between the Governments of Nicaragua and the United States relating to the opening of the canal to which reference has been made; and although the Government attributed no authenticity to the publication, it wishes to state that it does not appear that the Nicaraguan Government, upon learning of the fact, repudiated the report either through the press or other-

wise, and that *La Republica* was a newspaper which was a violent opponent of the Costa Rican Government.

The Minister of Costa Rica in Nicaragua, fulfilling instructions from his Government, sent to the Nicaraguan Government a copy of the aforesaid number of the said newspaper, together with a note in which he asked the addressee to kindly

have a categorical statement made as to whether said convention is authentic, both in general and as to each of its clauses, and, in the contrary event, to have the proper rectifications made.

His excellency the Secretary of Foreign Affairs of Nicaragua in a note of August 4, 1913, replied to the aforesaid communication of the Honorable Costa Rican Minister,

confirming the statement made in his note of June 12, of the same year, to the effect that, owing to the considerations of an international character, which concern not his Government alone, the latter is keeping secret the convention concluded with the United States on February 8, 1913; and that it was a question of a compact which had not yet been perfected, for which reason it is not permissible for the Nicaraguan Government to make any official declaration along the line suggested in his aforementioned note, in regard to any of the points that might be embraced in the negotiation.

V

Afterwards his Government learned through the unofficial American press that the American Senate was considering a treaty which the Costa Rican Government supposed was the same one that had been produced by *La Republica* as referred to above and also the same one alluded to by his excellency the Secretary of Foreign Affairs of Nicaragua in his notes of June 12 and August 4, 1913, signed by the Governments of the United States and Nicaragua, relating to the opening of a canal through Nicaraguan territory, and to other matters not at that time of importance to his Government; and he likewise learned of some steps that had been taken by private individuals interested in Costa Rica before certain Senators to the end that, when the treaty should come up for discussion and if it were sanctioned, the rights of the country might not be slighted with respect to the construction of any interoceanic canal, but that they might on the contrary be respected and guaranteed.

VI

About the middle of August, 1914, the Costa Rican Government was assured extrajudicially that the aforesaid Nicaraguan Canal Treaty had in fact been tacitly withdrawn from the consideration of the United States Senate, but that that high body was at the time considering another compact similar in substance (if not identical), at least as regards the Nicaraguan Canal, being stipulated between the same High Contracting Parties as the first one, that is, the one dated February 8, 1913; but the Costa Rican Government had no official intimation as to this new compact, nor as to the signature or contents of the other arrangement; neither did it have any knowledge of the stage at that time reached by the negotiation in question, for in this regard everything was carried on under the strictest secrecy, on the part of both Nicaragua and the United States.

VII

For these reasons the Costa Rican Government was unable to make any specific charges against the Treaty of February 8, 1913, regarding an interoceanic canal through Nicaraguan territory, nor could it attack, otherwise than in general terms, any similar agreement reached subsequently between the same parties, for, against its explicit and solemn promise, the first care of Nicaragua on that occasion had been to conceal the canal negotiations to Costa Rica by all means and at all events.

VIII

The remainder of 1913 and the whole of 1914 elapsed without the North American Senate defining or resuming its action on the matter of a canal through Nicaragua, or at least the Costa Rican Government did not receive any information to the contrary; and when the controversy no longer perturbed the minds of Costa Ricans, the *Evening Star* of February 2 of this year reported that the Committee on Foreign Relations of the North American Senate

had recommended to the sanction of the high body the Treaty which the United States Government had concluded more than a year ago with the Government of Nicaragua, among other purposes for the construction of an interoceanic canal through Nicaraguan territory.

IX

In view of the notice published by the newspaper in question, the Costa Rican Legation at Washington hastened to send to the State Department of the United States a systematic note in which the Government of that country was requested to prevent the completion by the Senate of the compact referred to, for the reason that it was in opposition to the treaties in force between Costa Rica and Nicaragua, to the Cleveland Award and to the harmonious tendencies which characterize the Chief Executive of the United States with respect to all the American nations, according to his recent public and official declarations made before more than a thousand delegates from the various nations which constitute the American Continent;² and, following the same purpose, Mr. Harry W. Van Dyke, attorney for the Costa Rican Legation at Washington, published a memorandum addressed to the American Senate; but this effort failed, as did also the endeavors of the Diplomatic Representative of Costa Rica at Washington, since the Congressional Record of February 18 of this year contained the notice that the Senate of the United States of America, in executive session of the same day, had ratified and promulgated a Convention between said Republic and that of Nicaragua, signed at Washington on August 5, 1914, which, with the additions agreed upon by that high chamber, and translated into Spanish by the attorney representing Costa Rica because it had been impossible for his Government to obtain a copy of the Spanish original, reads as follows:

The Government of the United States of America and the Government of Nicaragua, animated by the desire to strengthen their ancient and cordial friendship by means of the most sincere cooperation in any enterprises of mutual advantage and interest, and to provide with regard to the possible subsequent construction of an interoceanic canal for navigation via the San Juan River and the Great Lake of Nicaragua, or over any other route in Nicaraguan territory, whenever the Government of the United States may deem it suitable to the interests of both countries to construct such a canal; and the Government of Nicaragua wishing to facilitate by all possible means the successful preservation and operation of the Panama Canal, they have resolved to conclude a Convention for these purposes, and have consequently appointed as their Plenipotentiaries: The President of the United States, the Honorable William Jennings Bryan, Secretary of State; and the President of Nicaragua, General Emiliano Chamorro, E. E. and M. P. of Nicaragua in the United States;

Who, after exhibiting to each other their respective full powers, found to be in due and proper form, have agreed upon the following articles:

ARTICLE I. The Government of Nicaragua cedes in perpetuity to the Government of the United States, forever free from any tax or other public charge, the rights of exclusive ownership necessary and suitable for the construction, operation, and preservation of an interoceanic canal via the San Juan River and the Great Lake of Nicaragua, or over any other route in Nicaraguan territory. The details of the conditions on which the Canal is to be constructed, managed, and maintained shall be agreed upon by both Governments whenever the Government of the United States shall notify the Government of Nicaragua of its desire or intention of constructing it.

ARTICLE II. In order to facilitate to the United States Government the protection of the Panama Canal and the exercise of the property rights ceded to said Government by the foregoing article, and in order to facilitate to it also the adoption of any measure necessary for the purposes here foreseen, the Government of Nicaragua hereby leases to it for ninety-nine years the islands in the Caribbean Sea known as Great Corn Island and Little Corn Island; and it grants to it moreover, for a like period of ninety-nine years the right to establish, exploit, and maintain a naval base at such point in the territory of Nicaragua, on the Gulf of Fonseca, as the Government of the United States may wish to select. The United States Government shall have the option to renew for another period of ninety-nine years the lease and concessions referred to at the expiration of the respective periods, it being expressly agreed that the territory now leased and the naval base which may be established by virtue of the concession stipulated above shall be subject exclusively to the laws and sovereign authority of the United States during the period of the lease and concession and any extension or extensions thereof.

ARTICLE III. In consideration of the above stipulation and for the purposes provided in this Convention, as well as with a view to reducing the present debt of Nicaragua, the Government of the United States shall pay for the benefit of the Republic of Nicaragua, once the exchange of ratifications of this Convention has taken place, the sum of \$3,000,000 in gold coin of the United States, of the present weight and standard, which amount shall be deposited to the order of the Nicaraguan Government in the bank, banks, or banking house which the United States Government shall determine, to be applied by Nicaragua to the payment of her debt or to other public uses looking toward the progress and prosperity of the country as may be agreed upon by the High Contracting Parties. All payments shall be effected by means of checks drawn by the Minister of Finance of the Re-

² Address of President Wilson before the Second Pan American Scientific Congress at Washington, January 7, 1916.

public of Nicaragua, and approved by the Secretary of State of the United States, or by such person as he may designate for the purpose.

ARTICLE IV This Convention shall be ratified by the High Contracting Parties in accordance with their respective laws, and the ratifications shall be exchanged at Washington as soon as possible.

In witness whereof the respective Plenipotentiaries have signed the present Treaty and each has affixed thereto his seal.

Done at Washington, in duplicate, in English and Spanish, on August 5, 1914.

WILLIAM JENNINGS BRYAN [SEAL]
EMILIANO CHAMORRO

X

As soon as the Congressional Record published the ratification given by the United States Senate to the Bryan-Chamorro Treaty, the Costa Rican Legation at Washington carefully studied the document and, realizing that the purport thereof was notoriously contradictory to the irrefutable rights of Costa Rica as established in the Cañas-Jérez Treaty, the Cleveland Award, and the Central American Treaty of Washington, it hastened to file in the North American Foreign Office on February 21 of the current year a respectful but energetic protest against the action of the Senate, this being the only thing that a country having no other power or defense but the law could do for the time being.

At this time, although it was no longer a question of a Government secret, Nicaragua still did not condescend to communicate anything to Costa Rica regarding the momentous problem; whereas the E. E. and M. P. of the United States in Costa Rica did see fit, pursuant to instructions from his Government, to send to the Department of Foreign Affairs of Costa Rica a courteous note in which, supposing implicitly that Costa Rica was aware of what was transpiring, he informed it that the United States Senate, on the 18th of that month had consented by 55 votes against 18 to ratify the Nicaraguan Treaty with two amendments whose texts he transcribed and a resolution of the House reading as follows:

Whereas Costa Rica, Salvador, and Honduras have protested against the ratification of the Convention referred to, in the fear and belief that it might in some manner injure actual rights of those nations; therefore, be it declared by the Senate that, in advising and consenting to the ratification of the Convention, as revised, such advice and consent are given with the understanding, which should be expressed as a part of the instrument of ratification, that nothing in said Convention was conceived to affect any actual right of the said nations.

The petition adds that at the time of receiving the communication from his excellency the American Minister, the Costa Rican Government was completely in the dark as to what the treaty in question said.

CHAPTER II

GROUND'S OF LAW

Whereas: The High Complainant Party bases his action on the following legal precedents:

I

The so-called Cañas-Jérez boundary treaty concluded between Costa Rica and Nicaragua on April 15, 1858, reads as follows in its pertinent part:

ARTICLE 6. The Republic of Nicaragua shall exclusively have the dominion and supreme control over the waters of the San Juan River, from its source in the Lake to its mouth in the Atlantic; however, Costa Rica shall have perpetual rights of free navigation in said waters, from the aforesaid mouth up to 3 English miles before reaching Castillo Viejo, for purposes of commerce, whether with Nicaragua or with the interior of Costa Rica, via the San Carlos or Sarapiquí Rivers, or any other route coming from the part on the bank of the San Juan which is settled as belonging to this Republic. The vessels of either country may come to indiscriminately on the banks of the river at the part where navigation is common, without any kind of taxes being charged, unless they be established by common consent of the two Governments.

ARTICLE 8. If the contracts for canalization or transit concluded before the Nicaraguan Government had knowledge of this Convention should become void for any reason, Nicaragua agrees not to conclude any other in regard to the subjects mentioned without first hearing the opinion of the Costa Rican Government with respect to the disadvantages which the deal might involve for the two countries, provided that such opinion shall be expressed within thirty days after the request therefor is received, in case Nicaragua states that the decision is urgently necessary, and the natural rights of Costa Rica not being injured in the deal; this voice shall be a consulting one.

II

By virtue of the Esquivel-Román Convention concluded between Costa Rica and Nicaragua on December 24, 1886, both Republics submitted to the unappealable arbitral award of His Excellency the President of the United States the question which had arisen between the two aforementioned Republics regarding the validity of the Cañas-Jérez boundary treaty, article VII whereof provided as follows:

The arbitral award, whatever it be, shall be considered as a perfect treaty, binding between the Contracting Parties; it shall not admit of any appeal and shall begin to be executed thirty days after being notified to both Governments or their representatives.

III

The Cleveland Award, rendered March 22, 1888, as a result of the agreement to arbitrate contained in the Esquivel-Román Convention, embraces the following final decisions in regard to the Cañas-Jérez or Boundary Treaty and especially as regards the two articles transcribed from said Compact:

First. The aforementioned boundary treaty, signed April 15, 1858, is valid.

Second. The Republic of Costa Rica does not have, according to the said Treaty and in conformity with the stipulations of article 6 thereof, a right to navigate the San Juan river with war vessels; however, it may do so with vessels of the fiscal service, as may be appropriate and have to do with the enjoyment of the "objects of commerce" recognized in its favor by said article or as may be necessitated for the protection of such enjoyment.

Third. With respect to the points of doubtful interpretation communicated, as said before, by the Republic of Nicaragua, I decide as follows:

* * * * *

10. The Republic of Nicaragua is under obligation not to make any concessions for canal purposes across its territory without first asking the opinion of the Republic of Costa Rica, as provided by Article VIII of the Boundary Treaty of April 15, 1858. The natural rights of the Republic of Costa Rica, as referred to in said stipulation, are the rights which, by virtue of the limits fixed by said Treaty, it possesses over the soil which is recognized as belonging to it exclusively; those which it possesses in the ports of San Juan del Norte and Bahía de Salinas, and those which it also possesses in all that part of the San Juan River which lies over three English miles below Castillo Viejo (Old Castle) the measurement beginning at the outer fortifications of that Castle, as they existed in the year of 1858; and perhaps other rights which are not particularly specified here. These rights must be considered injured in all cases when the territory belonging to the Republic of Costa Rica is occupied or inundated or when anything injurious is done to Costa Rica in any of the aforementioned ports, or when there occurs such an obstruction or deviation of the San Juan River as to destroy or seriously impede the navigation thereof or of any of its branches at any point where Costa Rica has a right thereof or of any of its branches at any point where Costa Rica has a right to navigate them.

11. The Boundary Treaty of April 15, 1858, does not give to the Republic of Costa Rica the right to be a party to any concessions which Nicaragua may make for an interoceanic canal; although, in cases in which the construction of the canal involves injury to the natural rights of Costa Rica, its opinion or judgment must be, as mentioned in Article VIII of the Treaty, more than a mere consulting voice. It would appear that its consent is necessary in such cases; and that it may, therefore, exact compensation for any concessions it may be asked to grant; but it may not demand as a right that it share in the profits which the Republic of Nicaragua reserves to itself in compensation for the favors and privileges which the latter in turn may grant.

The Cañas-Jérez (or Boundary) Treaty has wholly preserved its binding force up to the present, both by virtue of the categorical decisions of the Cleveland Award which is inserted in the petition, and owing to the very nature of its stipulations, which are permanent in character, so that, without the mutual consent of the Contracting Parties, it is not possible at any time to denounce it, or consider it void, or elude the engagements contracted therein, as long as Costa Rica and Nicaragua continue to exist as free nations, especially as the validity and force of this Compact were recognized and proclaimed absolutely and without restriction to any fixed or determinate time, by the arbitral decision of one of the most honorable and highest standing Chief Magistrates in the world.

It therefore appears unexplainable to his Government that Nicaragua should have bargained regarding a canal through her territory without regard to Costa Rica, and with the very Nation whose Chief Executive, as such, and after being designated by common accord of both Contending Parties, rendered the award which, in harmony with the Cañas-Jérez Treaty, incapacitates her from acting in this matter without the consulting and even decisive voice of the Republic of Costa Rica.

For it seems impossible to the Government which he represents that a third party could construct a navigation canal via the San Juan river without

injuring, either by or in connection with the work, the contractual and natural rights of Costa Rica as fixed by the Cañas-Jérez Treaty and corroborated by the Cleveland Award.

There can be no doubt in the premises, for if the United States or a party to whom their rights are assigned adopt the San Juan river route for the canal, it is obvious that, the United States and Nicaragua having made no express reservation guaranteeing to Costa Rica the enjoyment of the advantages attributed to her by the Cañas-Jérez treaty, the enjoyment of these advantages must necessarily be subject in future to the greater or less amount of good will which the United States may exhibit in granting them.

In a word, Nicaragua has bargained with the United States or sold to them the San Juan River with no restriction, as if she were the absolute owner thereof, including its shores and everything, and Costa Rica, which has an indisputable right to navigate freely in the greater part of these waters, and which is mistress of the major portion of the southern shore of said river, has not been taken into account.

V

Article IX of the General Treaty of Peace and Friendship concluded on December 20, 1907, among the five Republics which formerly constituted the Federal Republic of Central America, provides as follows:

The merchant vessels of the signatory countries shall be considered as national vessels in the seas, on the coasts, and in the ports of the said countries; they shall enjoy the same exemptions, liberties, and concessions as national vessels, and they shall not pay any other dues, or bear any other burdens, than those paid by and imposed upon the vessels of the country concerned.

It is evident then, says the plaintiff, that in regard to navigation any subsequent treaty or convention which Nicaragua may have signed or may sign in future, while forgetting to reserve the same privileges and advantages for the merchantman of Costa Rica, El Salvador, Guatemala, and Honduras when they ply through or anchor in her waters as she reserves for her own vessels, openly violates the aforementioned article of the Treaty of Peace and Friendship cited.

Moreover, inasmuch as the Washington Treaty and Conventions of 1907 were conceived, debated, and concluded with the friendly participation of the United States Government, these agreements have the moral guarantee of that Great Republic.

CHAPTER III

ALLEGATIONS OF THE HIGH COMPLAINANT PARTY

Whereas: The attorney for the High Complainant Party, upon analyzing the grounds of fact and law on which he bases the action he has brought, appraises the present legal situation of Costa Rica and Nicaragua as follows:

From an examination and comparison of the Bryan-Chamorro Treaty with the Cañas-Jérez Treaty and with the Cleveland Award, he says, it appears that the former is in open contradiction to the others on the following points:

a. Navigation via the San Juan River.

The Cañas-Jérez Treaty, explained by the Cleveland Award, concedes to Costa Rica the perpetual right of free navigation in the waters of the San Juan River, from its mouth in the Atlantic to three English miles before Castillo Viejo, for commercial purposes, whether with Nicaragua or with the interior of Costa Rica, by any of the waterways of the latter which do or may connect with the San Juan River; it gives to Costa Rican ships the privilege of coming to, exempt from taxes of any kind, on the Nicaraguan shore of the said river at the part where the navigation is common, and it classes Costa Rican vessels of the fiscal service on a par with the merchantmen of the same country, so that they may protect the rights of that service, or serve the aforesaid commercial purposes.

As regards the San Juan River the conventional rights of Costa Rica are in some respects less than those belonging to joint sovereignty. Costa Rica can not, for instance, ply the river with war vessels, as Nicaragua may indeed do; but on the other hand those rights are greater than the rights of mere joint ownership, for Costa Rican vessels, both merchant and fiscal, have, in the zone where the navigation is common, free movement throughout the river, as to its length and breadth, and free access, exempt from dues, to any place along the Nicaraguan shore.

If the United States, under the Bryan-Chamorro Treaty, construct the interoceanic canal by way of the San Juan River, the absolute dominion over which has been granted to them by Nicaragua without any restriction whatever, it is easy to calculate, in such an event, what will become of Costa Rica's navigation rights on the San Juan.

This being the case, Nicaragua completely forgot in concluding the Treaty that she could not make unrestricted disposal of the San Juan River, for Costa Rica also has perfectly clear rights in and to this gift of nature, these rights being of a practical importance equal perhaps to those of Nicaragua, notwithstanding the latter country tried to cancel them totally by means of an alienation which is null and void in every respect because it infringes upon the rights of a third party, Costa Rica. The sale of another's property is void, this being an eternal axiom of law and justice, organic, it may be said, in all nations which consider themselves civilized.

Looking at the matter from another standpoint, the canal would really diminish the Costa Rican territory, which now in a way extends to the Nicaraguan shore of the San Juan River from three English miles below Castillo Viejo, in the direction of the current down to the Atlantic Ocean; and nevertheless Costa Rica was not even asked her opinion on the subject.

b. Consent of Costa Rica.

According to the Cañas-Jerez Treaty and the Cleveland Award, Costa Rica has a consulting voice which Nicaragua must consider in concluding any arrangement which she wishes to carry out in regard to the construction of a canal through her soil; but if the deal involves injury to the natural rights of Costa Rica, said voice ceases to be a consulting one and becomes decisive. That is to say, he adds if the work may cause any injury to Costa Rica, the latter must be considered as a party to the matter.

Even if there were no Cañas-Jerez Treaty or Cleveland Award, this latter conclusion would be inevitable, since it is no more than a theorem of equity; but Nicaragua went entirely astray this time; and in spite of and against the protests of Costa Rica she took the liberty to contract, by and before herself, with the United States in regard to a canal, thereby unquestionably trampling upon the rights of Costa Rica, which she is bound more than any one else to observe.

Nicaragua in this case did not even ask Costa Rica to give her consulting voice, as she was under obligation to do; and now that the Canal Convention which the United States and Nicaragua kept secret so long and so carefully known in all its details, Costa Rica can not remain still and silent, for this Compact, inasmuch as it virtually assails her rights to navigate the San Juan River and the integrity of her national territory in that direction, must not pass unnoticed by Costa Rica, which, strong in the righteousness of her cause, maintains that this Convention can not be a law to any one without her acquiescence in the clauses which gravely menace her interests.

c. Navigation in maritime waters of Nicaragua.

The Central American Treaty of Washington provides that the merchant vessels of any of the signatory nations shall have equal rights with the national vessels of the other Contracting Party when they are in the seas, on the coasts, or in the ports of the latter.

Nicaragua thus limited in favor of her sisters of the old Central American Federation, just as they in turn did for her benefit, the enjoyment of her maritime waters, coasts, and ports, for a period of ten years, which has not yet expired, and which is subject to extension indefinitely from year to year after expiring.

Consequently, Nicaragua could not validly lease to the United States any part of her coastline and waters in the Gulf of Fonseca and her Corn Islands in the Caribbean Sea, without being subject to the proviso of Article IX of the Washington Treaty; nor can she actually kill that Treaty without the consent of each of the other Contracting Parties.

There is a like obstacle to the sale of the territory which may be occupied or needed by the interoceanic canal, inasmuch as that section embraces parts of the Nicaraguan soil and waters which are affected by the Central American Treaty of Washington, for no one can transfer any more rights than what he has, or those which he does not possess.

Under Article 4 of the Cañas-Jerez Treaty, Salinas Bay on the Pacific Ocean and San Juan del Norte Bay on the Atlantic Ocean are common to Costa Rica and Nicaragua; and consequently, if the United States select the two bays mentioned as the heads or entrances to their canal, the rights of Costa

Rica in those bays will have vanished on the horizon of history, unless reason and justice have prevailed in the conscience of the North American people.

In the light of the foregoing there is no doubt that, as far as a canal through her territory is concerned and in general in all that concerns navigation through her waters, Nicaragua has her sovereignty limited by the Treaties and Conventions cited, which necessarily modify her personality by subordinating it to what has been solemnly stipulated.

It is superfluous to invoke especially any principle of international law in view of the fact that, the rights of Costa Rica being based on perfect contracts signed with and by Nicaragua, these contracts are the only things that must be adhered to in settling the difference which has arisen, inasmuch as an agreement is the supreme law between the parties thereto, whether they be mere private individuals or political entities. The case under consideration is one of pure civil law, and not only the legislation of Nicaragua but also that of Costa Rica and that of all the nations in the world extol the excellency of contracts as a legal bond between the parties. When it comes to nations, an agreement between them is something more than a binding compact: Respect for what has been agreed to, and the faithful fulfillment thereof, are corner stones of national honor, and there is no defense sufficiently effectual to warrant the disregard of this rule.

CHAPTER IV

EVIDENCE AND SUIT

Whereas: The attorney for the High Complainant Party presented a certified copy of the following documents to accompany the petition whose contents have been related:

- a. Power of the attorney.
- b. Copy of the Caffas-Jerez Treaty.
- c. Copy of the Esquivel-Román Convention.
- oh. Copy of the translation of the Cleveland Award.
- d. Copy of the General Treaty of Peace and Friendship among the Republics of Central America.
- e. Copy of the Convention giving rise to the Central American Court of Justice.
- f. Copy of the protest of April 27, 1913, made by Costa Rica to Nicaragua.
- g. Copy of the protest of April 17, 1913, made by Costa Rica to the United States.
- h. Copy of the answer of Nicaragua, under date of June 12, 1913.
- i. Copy of the interpellation of June 30, 1913, addressed by Costa Rica to Nicaragua.
- j. Copy of the answer of Nicaragua under date of August 4 following.
- k. Report of the Department of Foreign Affairs of Nicaragua for 1914.
- l. No. 8810 of La Republica.
- ll. Copy of the statement of Mr. John N. Pophan to the Committee on Foreign Affairs of the North American Senate.
- m. Copy of the note of February 2, 1916, addressed by Costa Rica to the United States.
- n. Copy of the Memorandum of Mr. Harry Van Dyke to the North American Senate.
- ñ. No. 49 of the Congressional Record of Washington.
- o. Copy of the protest of February 21, 1916, made by Costa Rica to the United States.
- p. Copy of the note of the same date, from the North American Legation in this city to the Government of Costa Rica.
- q. English text of the Cleveland Award.
- r. Answer of the United States to the protests of Costa Rica.

After invoking Article 1 of the General Treaty of Peace and Friendship and of the Convention for the Establishment of a Central American Court of Justice, concluded December 20, 1907, by the five Republics of Central America, in order to maintain that it is incumbent upon this Court to hear the question raised, the attorney for the High Complainant Party, by reason of all he has set forth in his petition and because he considers diplomatic channels exhausted, asks this Court, after performing all legal formalities, to

pronounce finally in this suit which he has brought against the Government of Nicaragua as follows:

First. That the Bryan-Chamorro Treaty, as referred to under point 15 of the foregoing grounds of fact, violates the rights of Costa Rica as acquired under the Cañas-Jerez Treaty, the Cleveland Award, and the Central American Treaty of Washington, owing to the following charges which he prefers against it:

a. Costa Rica was not consulted by Nicaragua in concluding said agreement;
b. The carrying out of the Compact may deprive Costa Rica of her rights of free navigation on the San Juan River from its mouth in the Atlantic upstream to within three English miles before reaching Castillo Viejo, and prevent Costa Rican merchant or fiscal (revenue) vessels from coming to freely at any point along the northern shore of the said river within the stretch mentioned;

c. The carrying out of the Compact may also injure and diminish the Costa Rican shore of the said river within the same stretch, as well as the mouths of the rivers of Costa Rica which empty into the San Juan, and the lands adjacent to said shores and mouths;

d. The carrying out of the Compact may likewise impair the joint ownership of Costa Rica in San Juan del Norte and Salinas Bays and even render it entirely nugatory;

e. By reason of the possible injuries pointed out in paragraphs b, c, and d, the decisive voice of Costa Rica is necessary and indispensable in order to perfect the compact, and this voice was not given or even asked; and

f. The compact, as regards the lease of Nicaraguan territory to the United States as a naval base in the Gulf of Fonseca, and of the Corn Islands (Great Corn Island and Little Corn Island) which Nicaragua possesses in the Caribbean Sea, makes no reservation in favor of Costa Rica, whose merchant vessels have a right to be treated the same as national Nicaraguan vessels in all the maritime waters, coasts, and ports of Nicaragua; this omission, which was mentioned above, renders Article IX of the Central American Treaty of Washington void in fact.

Second. That the violation of the rights of Costa Rica, by virtue of the charges preferred or of any one of them by itself, renders the said Bryan-Chamorro Compact void, especially as both contracting parties knew in signing it the comparative incapacity of Nicaragua to conclude it without restriction, that is, without making safe provision for the rights which Costa Rica possesses in the waters and lands constituting the subject-matter of the convention.

Third. That the correctness of the two preceding contentions renders the aforesaid Bryan-Chamorro Treaty null and void, especially with respect to Costa Rica, and this High Court hereby pronounces said Treaty void.

Finally, in an interlocutory petition he asked that the Court, in accordance with Article XVIII of the Convention creating this Court and in order to prevent conflicts and damages perhaps irreparable afterwards, prescribe the following measure pending the final decision of the case:

a. Maintenance, in regard to a canal through Nicaraguan territory and in everything in general connected with navigation in waters of that Republic, of the *status quo* in law which existed there with respect to Costa Rica prior to the Bryan-Chamorro Treaty, which gives rise to the present action; and

b. A resolution to communicate to the Governments of Nicaragua and the United States, by telegraph in view of the urgency of the case and reserving the right to confirm the notice afterwards by mail with all customary formalities, the fact that the present suit has been begun, and the decree covering point A above, if, as I venture to hope, my request to secure this precautionary measure is granted.

SECOND PART

PROCEEDINGS CONNECTED WITH THE HEARING, AND ANSWER OF THE HIGH DEFENDANT PARTY

SINGLE CHAPTER

Whereas: This Court, in an order issued May 1 of this year, acknowledged Attorney Luis Castro Ureña as a party representing the plaintiff Government; admitted the suit brought and ordered the writ prescribed by law to be sent to the Nicaraguan Government, asking the latter to answer it within a period of

sixty days counting from the date of notification; ordered that a note be sent to it embodying the plea of the plaintiff, the evidence submitted, and the order issued in that connection; and decreed the precautionary measure requested, ordering finally, that the defendant Government be notified of the resolution reached, as also the other Governments signatory to the Convention creating the Court.

Whereas: The Nicaraguan Government having failed to answer the suit within the period set for it for the purpose, the Court, in an order dated August 16 last, granted it the new period of twenty days prescribed by Article XV of the Convention concerned.

Whereas: On the 25th of the same month of August the Court received the message, dated the first of the same month, in which the Department of Foreign Affairs of Nicaragua stated as follows:

By virtue of the writ issued by the Central American Court of Justice, pursuant to resolution of May 1 of this year, asking the Nicaraguan Government to file answer to the suit brought against it on March 24 last by the Government of Costa Rica in connection with the conclusion of the Chamorro-Bryan Treaty on the option to contract for the construction of an interoceanic canal, it (the Department of Foreign Affairs) has to state as follows:

Its Government was astonished at the language used in bringing the suit, for it appears only as if it were desired to bewilder the public mind with phrases uttered for effect, altering the meaning of words or misrepresenting facts.

At the very beginning of the plea we read that the Republic of Costa Rica brings the suit against Nicaragua before the Central American Court of Justice on the occasion of a Convention signed by Nicaragua with the United States for the sale of the San Juan river and other purposes. The words of the Convention are explicit, and it says absolutely nothing about a sale, for nothing was agreed upon but an option to conclude a treaty at the proper time.

It is impossible to tell yet where and when it will be suitable to construct the canal, or whether it will be through a locality bordering upon Costa Rica or one distant from her boundary.

When the studies have been made and all the circumstances have been discussed and weighed with respect to the selection, location, and construction of the waterway, then and only then will it be possible to proceed with the Canal Convention or Contract.

Meanwhile the idea of a sale of the San Juan river as attributed to the Chamorro-Bryan Convention is an assertion without foundation and besides offensive and insulting.

While all he is stating implies nothing else than a mark of courtesy toward this Court, he confining himself to the subject of this controversy, he must nevertheless express the surprise of his Government that the Central American Court of Justice should have admitted the suit when its lack of jurisdiction in the matter is so manifest, as he will proceed to demonstrate.

The Convention creating the Court, he says, is a fundamental code. Its observance can not be evaded, and it is necessary to submit to the provisions of that Convention under penalty of rendering it void. In the present case, the question must first be asked: What serves as a basis for and what gives rise to the suit? Is it the Chamorro-Weitzel Treaty or the Chamorro-Bryan Treaty? The former became ineffective, wherefore it must be eliminated from the discussion; and even if it had furnished ground for a complaint because Costa Rica alleged per chance that it infringed upon her rights (which the Nicaraguan Government does not admit), that Treaty remained in the stage of a draft without force and can not therefore be brought into question.

Nothing remains but to regard the suit as referring to the Chamorro-Bryan Treaty; but in regard to this Convention, the plaintiff admits that no steps by any Foreign Office have been taken, much less exhausted. How could it then be said, he adds, that it has been impossible to reach an agreement between the Foreign Offices of the two countries if no step has been taken (and this is an indispensable prerequisite according to Article I of the Convention) in regard to this matter to the end that, when diplomatic action has been exhausted, the suit might be admissible. This being the case, there is no use of making deductions based on conjectures. It is necessary to demonstrate the truth of the facts which are supposed, and that by means of documents or other kinds of convincing evidence (Article 17 of the regulations of the Court); it is not sufficient to say that it is a question of a similar agreement; the regulations enacted by virtue of a treaty demand proofs, not the pretexts of which a party may avail himself in order to elude the obligation imposed. These proofs do not exist and have not been adduced in order to show that the Central American Court of Justice has jurisdiction. This Court can not rise superior to the law creating it, and it has no legal mission in this matter.

Even supposing that the Chamorro-Bryan Treaty was not only similar but identical in its wording to the Chamorro-Weitzel Treaty, the latter not having had any legal existence was relegated to the category of a mere rejected draft, and so much is this the case that it may be affirmed in all truth that the effects which may arise with respect to Nicaragua and the United States on account of the Chamorro-Bryan Compact come into being from the time of the exchange of ratifications thereof. Therefore, what ought to have been and must be proved is in connection with the Chamorro-Bryan Treaty.

The Central American Court of Justice could not and can not legally disregard this legal necessity without exceeding the limits of its mission, or, what is the same, without rendering all its action absolutely void; and everything it may decide will be absolutely void if it reaches a decision while lacking jurisdiction.

His Excellency the Minister of Foreign Affairs of Nicaragua thereupon refutes the votes which four of the members of the Court cast when they admitted the suit; and he thereupon sets forth that the most relevant point in this case and which most plainly shows the lack of jurisdiction of the Central American Court of Justice to take cognizance of the suit is the request made in the petition itself, to the effect that the Court pass upon a matter which can by no means, in any of its points, be submitted to the cognizance of this Court, as if it were a matter arising from the relations between the nations signing the Convention which created the Court. "Enter," says the plaintiff to the Central

American Court of Justice, "enter upon a path which is forbidden you and which no one has made free to you; meddle where you have no business; break an agreement signed by one who has not given you any mission to take cognizance of his affairs." This, he says, is what is required, and nothing else, when it is demanded that a decision be rendered saying "that the violation of the rights of Costa Rica, by virtue of the charges made above or of any one of them alone, renders the said Chamorro-Bryan Compact void, especially as both Contracting Parties knew, upon signing it, the relative incapacity of Nicaragua to conclude it without restrictions, that is, without saving the rights of Costa Rica in the waters and lands affected by the Convention."

Even if the matter were regarded solely from the standpoint of the mere approval of a treaty by the Congress of Nicaragua, this approval being given by virtue of the powers conferred upon it by the Constitution, it could not be submitted to the cognizance of the Central American Court, and much less the decision as to the validity of this act emanating from a Power in exercise of the sovereignty of the Republic. As a hypothesis it might possibly be admitted that there might, sometimes be a right to sue on the effects of a violation or on the injury caused or the like, but never could the legal impossibility be admitted of the annulment of sovereignty and much less of those acts in which a third High Contracting Party is involved.

After setting forth other considerations relating to this point, His Excellency the Minister of Foreign Affairs of Nicaragua concludes by stating that his

Government believes, and so declares through him, that it ought not to answer the suit of the Costa Rican Government because it can not admit, even conditionally, the competency of the Court to take cognizance thereof and decide it. He holds up the incompetency and total lack of jurisdiction of the Central American Court of Justice as the only thing to be decided at present. Not for a moment could Nicaragua take into account, otherwise than to refute them, the irritating assertions or the procedures so offensive to her sovereignty and dignity. And finally if, contrary to the requirements of the General Treaty of Peace and Friendship and of the Convention for the establishment of this Court, the latter should insist on taking cognizance of the suit, the Government of Nicaragua protests in the most solemn manner that Nicaragua has acted within her rights, and in case a decision is rendered contrary to the contention that the Central American Court of Justice lacks jurisdiction, Nicaragua declares that she will be unable to respect it.

Whereas: The Court, in view of the answer given by the Nicaraguan Government, resolved in a writ of August 31 last to acknowledge as answered the writ issued to Nicaragua asking her to answer the suit, and therefore as expired the new period of 30 days granted in the writ of the 16th of the same month of August; and that as the High Defendant Party had failed to specify in its answer any person or office in this city to receive notifications, these latter be considered as tacitly renounced according to arts. 59 and 60 of the order of procedure, and as actually made the notifications which are necessary once the period of 48 hours has expired after the measures have been pronounced; that the case had reached the decision stage and that, in order to hear the final allegations of the High Parties, a hearing was set for the 11th of the present month.

Whereas: At the hearing set the following two persons appeared in order to allege what they deemed appropriate to the interests of the High Complainant Party: Attorneys Luis Castro Ureña and José Astúa Aguilar, the latter having been appointed on the 7th of the month mentioned as representative of the Costa Rican Government and assistant of Attorney Castro Ureña. Representative Astúa Aguilar, in his allegation, confines the petitions of the High Complainant Party to the following:

The indubitable rights of Costa Rica, as established and substantiated in the Cañas-Jerez Treaty, the Cleveland Award and the General Treaty of Peace and Friendship of Washington, have been violated by the High Defendant Party in the Chamorro-Bryan Treaty, and according to the text of the conventions and arbitral award cited, the said High Defendant Party was legally disqualified from concluding the Treaty without the participation and consent of my Government.

Whereas: At a session held by this Court on the 22d of this month, the questions propounded were thoroughly discussed and votes were taken on the points of the question blank previously approved in the manner indicated in the minute prepared for the purpose, which reads thus:

Minute of vote of court.—Central American Court of Justice, San José, Costa Rica, at 10 o'clock p. m. of September 22, 1916. As the deliberations of the Court were considered terminated, so that it might proceed to pass judgment in the suit begun by the Costa Rican against the Nicaraguan Government, the votes were taken on the 14 points comprised in the question blank approved, the following being the result:

The first question, reading:

As the High Defendant Party puts forth as a "peremptory exception" the lack of jurisdiction and of competency of the Court, is it necessary to pass upon this exception, notwithstanding the stand taken in the writ of May 1 last?

Answered in the affirmative by all the Magistrates.

Second question, reading:

In the opinion of the Court, are the diplomatic instruments known as the Chamorro-Weitzel and Bryan-Chamorro (Treaties) two aspects of the same international negotiation

whose ultimate object, as far as this dispute is concerned, is the construction of an interoceanic canal.

Answered in the affirmative by Magistrates Meda1, Oreamuno, Castro Ramírez, and Bocanegra, and in the negative by Magistrate Gutiérrez Navas.

Third question:

Is it considered that both negotiations relating to an interoceanic canal were carried on by the Nicaraguan Government without the official knowledge of the Government of Costa Rica?

Answered in affirmative by all the Magistrates.

Fourth question:

Is it considered that the Costa Rican Government thoroughly, reasonably, and vainly tried out diplomatic channels in pursuit of an agreement?

Answered in affirmative by Magistrates Meda1, Oreamuno, Castro Ramírez, and Bocanegra, and in the negative by Magistrate Gutiérrez Navas.

Fifth question:

Is it proper, according to the preceding questions and conclusions, to declare this Court as having jurisdiction and competence to try to suit?

Answered affirmatively by Magistrates Meda1, Oreamuno, Castro Ramírez, and Bocanegra, and negatively by Magistrate Gutiérrez Navas.

Sixth question:

Should this Court be declared competent to try and decide this dispute by reason of the subject-matter to which it relates?

Answered in affirmative by all the Magistrates, Magistrate Gutiérrez Navas explaining that he votes affirmatively as far as the matter involves differences between the Costa Rican and Nicaraguan Government.

Seventh question:

Should this Court be declared competent to try and decide this suit notwithstanding it relates to contractual interests of a nation not subject to the jurisdiction of this court?

Answered affirmatively by Magistrates Meda1, Oreamuno, Castro, Ramírez, and Bocanegra, and negatively by Magistrate Gutiérrez Navas.

Eighth question:

Was the Nicaraguan Government, according to Article VIII of the Cafiias-Jerez Treaty, obliged to first hear the opinion of the Costa Rican Government concerning any objections there might be to the concessions embodied in the Bryan-Chamorro Treaty?

Answered affirmatively by Magistrates Meda1, Oreamuno, Castro, Ramírez, and Bocanegra, and negatively by Magistrate Gutiérrez Navas.

Ninth question:

In the Bryan-Chamorro Treaty, was Costa Rica entitled to lend a decisive voice concerning the canal concession via the San Juan river and the Great Lake of Nicaragua?

Answered affirmatively by Magistrates Meda1, Oreamuno, Castro Ramírez, and Bocanegra, and negatively by Magistrate Gutiérrez Navas because no evidence on the subject had been furnished in the trial.

Tenth question:

In the Bryan-Chamorro Treaty, was Costa Rica entitled to give a decisive voice in the canal concession via any other point in the Nicaraguan territory, provided the rights of Costa Rica as specified under No. 10 of the Cleveland Award are not affected?

All the Magistrates answered in the negative.

Eleventh question:

Should it be considered as proven that nothing was stipulated in the Bryan-Chamorro Treaty to guard the rights of Costa Rica?

Answered affirmatively by Magistrates Meda1, Oreamuno, Castro Ramírez, and Bocanegra, and negatively by Magistrate Gutiérrez Navas, who stated that in his opinion such a stipulation was unnecessary inasmuch as the rights of a third party who has not participated in the treaty or given his consent to its conclusion can not be affected; and his opinion is founded on the doctrine of the general run of writers of treatises on international law.

Twelfth question:

Should it be considered that the Bryan-Chamorro Treaty impairs the rights of free navigation of Costa Rica by the cession of a naval base in the Gulf of Fonseca and of the islands called Great Corn Island and Little Corn Island?

The Court, having already decided to revise the previous minute, accepted the proposition of Magistrate Oreamuno to substitute the following instead of the question just read:

Should it be understood that the Bryan-Chamorro Treaty violates the rights granted to Costa Rica by article 9 of the Treaty of Peace and Friendship of 1907?

Answered affirmatively by Magistrates Medal, Oreamuno, Castro Ramírez, and Bocanegra, and negatively by Magistrate Gutiérrez Navas.

Should it consequently be considered and decided that the treaty giving rise to this suit violates provisions of the Cañas-Jerez Boundary Treaty, of the Cleveland Award, and of the Treaty of Peace and Friendship signed at Washington in 1907?

Answered in the affirmative by Magistrates Medal, Oreamuno, Castro Ramírez, and Bocanegra, and in the negative by Magistrate Gutiérrez Navas.

Fourteenth question.

Can this Court decide the petitions contained in points second and third of the suit?

All the Magistrates answered in the negative.

Consequently the suit was regarded as being decided as follows:

First. The Court is declared competent to decide the suit brought.

Second. The Court declares that the Government of Nicaragua violated, to the detriment of Costa Rica, the rights granted to the latter by the Cañas-Jerez Boundary Treaty of April 15, 1858, by the Cleveland Award of March 22, 1888, and by the Central American Treaty of Peace and Friendship of December 20, 1907.

Third. As regards a declaration that the Bryan-Chamorro Treaty is null and void, as requested in this suit, this Court can not make any statement of any kind, because the Government of the United States of North America is not subject to the jurisdiction of this Court.

THIRD PART

EXAMINATION OF THE FACTS AND CONSIDERATIONS OF LAW

CHAPTER I

REGARDING THE "PEREMPTORY EXCEPTION" THAT THE COURT LACKS JURISDICTION

Whereas: The Government of Nicaragua having, in its communication of August 1 last in answer to the copy sent it of the suit, proposed the peremptory exception or plea of lack of jurisdiction (incompetency), as also referred to in its telegraphic dispatches of April 1 and 26 and September 7 and 9 last, it is the duty of the Court to analyze the grounds of that exception and the evidence adduced before the court, as well as the provisions of law which govern the subject, in order to decide whether this Court is or not qualified to take cognizance of the dispute.

Whereas: Both from the telegraphic dispatches and from the answer to the copy transmitted to it of the suit, it appears that the Nicaraguan Government based on three grounds its denial of jurisdiction and competency of the Court, to wit:

1. In negotiating with the United States Government regarding an inter-oceanic canal, it did so in the exercise of its indisputable rights of sovereignty;

2. It carried on these negotiations with a Nation beyond the jurisdiction of the Court;

3. Although the Costa Rican Government took some diplomatic action when the Chamorro-Weitzel Treaty was concluded, which treaty never became effective, on the other hand it took absolutely no steps before the Nicaraguan Foreign Office in connection with the Bryan-Chamorro Treaty which gives rise to this suit, and consequently the prerequisite has not been fulfilled which the Convention creating the Court prescribes in order that the Court may acquire the right to try the case.

Whereas: As regards the first of the foregoing allegations, it should be observed that Article I of the Convention creating the Court, which Convention constitutes its fundamental code, does not exclude from the cognizance of the Court any class of differences or questions which may arise among the Central American Nations, whatever may be their origin or nature. There is nothing to limit the jurisdiction of the Court by reason of the subject-matter, and it is consequently obvious that no Central American Nation can exempt itself from its obligation to answer before this Court any complaints which the other nations signing the said convention may lodge against it, under the pretext that the injuries alleged arise from acts performed in the exercise of its own sovereignty.

Whereas: As regards the contention that the deal giving rise to this suit was concluded with a Power not coming under the jurisdiction of the Court and that consequently the Court can not decide the controversy raised by the Costa Rican Government without encroaching upon a foreign and consequently forbidden field, the Court holds that if such an allegation were sufficient to impede its functions to

effectually guarantee the rights of the Central American Republics and maintain unalterable the peace and harmony of their relations without having to resort in any case to the use of force,

which mission was intrusted to it by the Compact which originated it, a considerable number of controversies might be raised with no other possible solution but that of arms, thus rendering nugatory the most important object pursued by the nations signing the compact when they established it. The Court can, without any doubt, fulfill its functions without entering upon a forbidden field; confining itself, as is its duty, to determining the legal relations existing among the Central American Nations at variance and to declaring what is right as among them, to the absolute exclusion of the situation of law or fact which their acts may have created for them with respect to other Nations not subject to the jurisdiction of this Court.

Whereas: as far as the lack of competency of this Court is concerned, as alleged by the High Defendant Party, taking as his basis the fact that

the proof does not exist, consisting of documents or other kind of convincing evidence, that the High Complainant Party has begun, and still less that he has prosecuted and exhausted without reaching an agreement, the negotiations between Foreign Offices as required by Article 1 of the Convention creating the Court and article 17 of the regulations of the Court in order that the suit may be admitted,

The Court, in deciding the matter, has the following facts in view:

First. It appears in the records of this case that, as stated by the High Complainant Party, the latter learned privately in April, 1913 that the Legislature of Nicaragua had secretly approved a treaty concluded, also secretly, between the Government of said Republic and the United States of America in regard to the construction of an interoceanic canal through Nicaraguan territory, and that the Government of Costa Rica communicated, in this connection, instructions to its diplomatic representatives at Managua and Washington to protest (as in fact they did according to proof among the records) against the conclusion of a Convention which it considered detrimental to the rights granted it by the treaties existing between Costa Rica and Nicaragua, as well as by the Cleveland Award of March 22, 1888.

Second. The Government of Nicaragua, in a note of June 12, 1913, answered the protest of Costa Rica by invoking the prerogatives of its sovereignty in concluding the treaty in question and the necessity of keeping the clauses thereof secret for reasons of a diplomatic character.

Third. The Government of Costa Rica, in view of a copy of the text of the treaty which had been published in a newspaper of this city and which was said to be the text of the same compact which gave rise to the protests mentioned, repeated its remonstrance before the Nicaraguan Foreign Office, which answered by insisting on the necessity of keeping secret its diplomatic compact with the United States of America, and stating that it was impossible for it to make any declaration regarding the contents thereof because it was not yet perfected.

Fourth. The Government of Costa Rica having learned that, although the treaty mentioned had been rejected by the United States Senate, another canal treaty was already under consideration by that high body for its ratification; and deeming the road now closed to any direct arrangement with the Nicaraguan Foreign Office, it took before the Foreign Office of the United States and before the Senate itself, although to no avail, various steps looking toward preventing the perfecting of the treaty, which finally, received the supreme approval of the American Senate on February 18 of this year.

Fifth. The High Complainant Party, in affirming that the necessary steps were not first taken before the Foreign Offices, relies on the circumstance that the negotiations conducted before it by the Costa Rican Foreign Office were caused by the conclusion of the Chamorro-Weitzel Treaty, which never became effective, and not by the Bryan-Chamorro Treaty, which is the one that gives rise to the filing of the suit.

The calm examination which this Court has made of all the foregoing enables it not to pass by unnoticed the error of dialectics committed by the High Defendant Party in taking as the cause of the suit what is not its cause.

The Costa Rican Government did not begin its action specifically on the basis of the designation by which the compact giving rise to the suit is known, but on account of the fact that said compact relates to concessions for the construction of an interoceanic canal through Nicaraguan territory, respecting which concessions it has maintained its protests made as early as 1913.

This Court considers that it is impossible to accept as valid for the purpose of demonstrating the incompetency of the Court as alleged, the argument of the Nicaraguan Government to the effect that the Chamorro-Weitzel and Bryan-Chamorro Treaties are two distinct negotiations and that the opposition raised by Costa Rica against the former does not avail against the latter, for as both negotiations are identical in their object, which is the construction of an interoceanic canal (this being the point against which Costa Rica is really protesting), it is impossible not to consider both negotiations as two stages in the same deal, for the arguments of exclusive attributes of sovereignty and of the necessity of maintaining diplomatic secrecy behind which the Nicaraguan Foreign Office shielded itself in answering the opposition expressed by the Costa Rican Government against the first compact apply as a necessary consequence with respect to the second; and therefore it must be and is considered that the Republic of Costa Rica exhausted all the available Foreign Office negotiations for the sake of reaching an agreement with the Republic of Nicaragua with respect to the negotiations begun by the latter with the Government of the United States in order to secure the construction of an interoceanic canal; for all the more reason because, in the face of the overt declaration by the Nicaraguan Foreign Office that its negotiations were covered by the attributes of national sovereignty, it was quite natural to suppose that any further endeavor on the part of the Costa Rican Government would be in vain.

The Court furthermore holds that it cannot under any consideration admit, according to sound rules of interpretation, that the final requirement of Clause I of the Convention giving life to this Court should be understood as meaning that the High Contending Parties are obliged to insist on steps being taken which, besides being useless as regards the object of securing an agreement, are incompatible with their interests and their honor.

Whereas: The Chamorro-Weitzel and Bryan-Chamorro Treaties being held by this Court, as said before, to be two stages of one and the same diplomatic negotiation, the proof that all action has been unsuccessfully exhausted between the Foreign Offices with a view to reaching an agreement, as prescribed by the convention and the regulations of the Court in order to establish the competency of the latter and as demanded by the High Defendant Party, is furnished by the notes of the Nicaraguan Foreign Office addressed to the diplomatic representative of Costa Rica at Managua on June 12 and August 4, 1913, these being authentic documents.

Whereas: Inasmuch as the allegations on which the High Defendant Party bases the peremptory exception which he entered are rejected; and this Court being the sole authority to which the will of the nations creating it gave the right to decide, in each case, whether all possible effectual steps looking toward an amicable settlement should be regarded as having been taken, both in accordance with the precept contained in Clause XXI of the same convention, which authorizes it to judge the points of fact at issue at its free discretion, and in accordance with the privilege conferred upon it to determine its own competency by Clause XXII *ibidem*, in which it appears obvious that it was not the will of the nations subscribing the fundamental code of this Court that the question of its competency should be left to the arbitrary judgment of the contending parties, this Court must make the declarations which follow as a logical sequence, that is, that the High Complainant Party has fulfilled the only requirement prescribed by Article I of the aforementioned convention in order that the suit may be admitted, and that, inasmuch as the peremptory exception entered by the High Defendant Party can not be admitted, this Court is competent to decide the suit presented before it.

CHAPTER II

ANALYSIS OF THE ACTION

Whereas: The Court has primarily studied the juridical structure of the Bryan-Chamorro Treaty with a view to inferring as a consequence its real international purport, both as regards the contractual relations between the

High Signatory Parties and as regards the situation in which are placed third interested parties not connected with that mutually obligatory compact.

The Government of Nicaragua says Article 1 of that public instrument, cedes in perpetuity to the Government of the United States, forever free from any tax or other public charge, the rights of exclusive ownership necessary and suitable for the construction, operation, and preservation of an interoceanic canal by way of the San Juan River and the Great Lake of Nicaragua, or by any other route in Nicaraguan territory. The details of the terms of which the canal is to be constructed, managed, and maintained shall be agreed upon by both Governments whenever the Government of the United States shall notify the Government of Nicaragua of its desire or intention to construct it.

With variants of form and extenuations of style, but with the same fundamental idea always predominating, the unsuccessful Chamorro-Weitzel Compact, which this Court considers as the first stage in a diplomatic negotiation which culminated in the Bryan-Chamorro Treaty, embodied the following in Article I:

The Government of Nicaragua hereby grants in perpetuity to the Government of the United States the exclusive and unencumbered rights necessary and suitable for the construction, service and maintenance of an interoceanic canal by way of the San Juan river and the Great Lake of Nicaragua, or by any other route in Nicaraguan territory; and the details of the conditions under which said canal is to be constructed, served, and maintained shall be fixed by mutual understanding between the two Governments, whenever the construction of the said canal is resolved upon.

In order to logically construe their clauses, the two documents must be combined and blended together. The same idea gave life to them and they were presided over by the same intention. One calls "cession" what the other calls "grant"; the phrase "exclusive rights" was exchanged for "rights of exclusive ownership"; and "operation" took the place of "service", besides which there were variations in the preamble and in other matters distinct from the canal stipulation. If any real innovation could be detected in this latter, it is that which leaves to the free will of the United States Government the construction of the canal, whereas the original draft agreement did not embody so explicit a prerogative, but left the details and conditions of the work to the mutual understanding of the two Governments "whenever the construction of the canal is resolved upon", being silent as to whether the will of one or both of the contracting parties was necessary in such an event.

Having in view these historical facts, which are essential in order to determine with precision the international juridical purport of the first clause of the co-called Bryan-Chamorro Compact, we may undertake the solution of this question: Was a mere option stipulated or was a sale consummated? Doubt arises in view of the discrepancy of opinions on the part of the High Parties to the dispute. While the representatives of the Government of Costa Rica maintain that this Contract implies a perfect sale, his excellency the Minister of Foreign Affairs of Nicaragua, in communications addressed to this Court, upholds the contention that there was stipulated a mere option, destined to be perfected in the future, when the studies have been made preliminary to locating the canal and it has been agreed where and when it will be suitable to construct it.

There is no doubt but that the Bryan-Chamorro Treaty embodies a perfect sale of the property rights necessary for the construction of an interoceanic canal by way of the San Juan River or the Great Lake of Nicaragua or by any other route in Nicaraguan territory. "Ceding in perpetuity" is equivalent to an alienation, to the transfer of ownership, to the expression of the intention of delivering, with a relinquishment of all the train of prerogatives which constitute ownership; there being present moreover the *animus adquirendum* (intention to acquire) on the part of the purchaser, who obligated himself to pay the price of the sale. There exist, therefore, the necessary legal conditions in order to hold that the Bryan-Chamorro Treaty constitutes a sale, and besides a deed of transfer of ownership with a certain and determinate object, at least as regards the property rights (real rights) which Nicaragua alienates in the San Juan River and in the Great Lake of Nicaragua with respect to the construction of an interoceanic canal. On the contrary, the idea of an option involves a distinct proposition. There is no present alienation of ownership, but an expectancy, realizable in case the circumstances and conditions stipulated are fulfilled. And in the Bryan-Chamorro Treaty, which is onerous and commutative in character, there is a perfect obligation on the part of the Government of Nicaragua, subject merely, as regards the practical execution of the contract, to the determination of the Government of the United States

There may be, if you will, an alternative alienation; but not an option in the legal sense of the word. To sum up: By that diplomatic compact Nicaragua alienated at once and forever the rights necessary for the construction of an inter-oceanic canal by way of the San Juan River or the Great Lake of Nicaragua or by any other route in Nicaraguan territory, without its being possible for her to recover these rights to herself or to make them the object of further contracting.

Whereas: As regards the legal effects of the said Treaty with respect to Costa Rica, a third Republic which did not in any way contribute toward its conclusion, it is necessary to consider the situation as existing between that country and Nicaragua, in the sphere of action of territorial rights, prior to the date on which the Canal Treaty was raised to the category of a law by the High Signatory Parties, in order to judge in all their intensity the impairments of rights of which Costa Rica has complained before this Court. The Cañas-Jerez Treaty, which is perfectly valid, contains the following concrete stipulations calculated to fix the rights of both Republics in the aforesaid river:

Article 6. The Republic of Nicaragua shall have exclusively the ownership (dominion) and supreme control over the waters of the San Juan River, from its source in the lake to its mouth in the Atlantic but the Republic of Costa Rica shall have the perpetual rights of free navigation in said waters from the said mouth up to three English miles before reaching Castillo Viejo, for purposes of commerce, whether with Nicaragua or with the interior of Costa Rica, via the San Carlos or Sarapiquí rivers, or any other waterway coming from the part where the shore of the San Juan is settled as belonging to this Republic. The vessels of either country may come to indiscriminately on the shores of the river at the part where the navigation is common, without any kind of taxes being charged, unless they are established in common accord between the two Governments.

Owing to concessions granted by Nicaragua for the construction of a canal, and which were opposed by Costa Rica, the boundary disputes revived, giving rise to the Arbitration by the Honorable President Cleveland, who, on March 22, 1888, rendered his Award explaining the Cañas-Jerez Treaty, which Award possesses sufficient authority to settle all doubts pending as far as boundaries and a canal are concerned.

The Award, which maintaining the force of the Cañas-Jerez Treaty, declares that the Republic of Costa Rica has not

a right to navigate the San Juan River with war vessels; but it may do so with vessels of the fiscal service as may be appropriate and have to do with the enjoyment of the "objects of commerce" recognized as due it by said article or as may be necessitated for the protection of said enjoyment.

Both public documents, to which the High Litigating Parties assign full legal effect and perfect weight as evidence, guide this Court in laying down the following doctrines:

a. The Republic of Nicaragua has exclusively the dominion and supreme control over the San Juan River throughout the extent of its course; that is to say, it exercises rights of ownership over it and it forms a part of the national territory subject to its sovereignty.

b. That right is not absolute and suffers the restrictions which the aforesaid Treaty points out:

(1) San Juan del Norte and Salinas bays are common to the two Republics; and, consequently, at both terminal points of a possible canal, the legal principle of joint ownership endures.

(2) Costa Rica, equally with Nicaragua, is obliged to guard and defend the river in case of foreign aggression, this stipulation demonstrating to what extent, in the mind of the negotiators, the moral and material interests of both people were bound up together.

(3) Costa Rica has in the San Juan, for purposes of commerce, the permanent rights of free navigation from its mouth up to within three miles of Castillo Viejo; and she may bring her vessels to, on either shore indiscriminately, without its being permissible to charge her any dues in the part where the navigation is common. It is therefore plain that the dominion which the Republic of Nicaragua exercises over the San Juan River is not absolute or unlimited; it is necessarily restricted by the rights of free navigation attached thereto and so remarkably granted to Costa Rica, especially if we consider that such rights, exercised for fiscal and defensive purposes, are confounded in their development, in the opinion of treatise writers, with the sovereign faculties of *imperium*. Such a concession is equivalent to a real right of use, perpetual and inalienable, which places the Republic of Costa Rica in the full enjoyment

of the ownership for practical purposes (*dominio util*) of a large part of the San Juan River, without prejudice to the full ownership (*dominio pleno*) which Nicaragua preserves as sovereign of the territory.

With respect to the decisions of the Cleveland Award, and as far as the territorial bounds are concerned the following appears evident:

a. The perfect validity of the Cañas-Jerez Treaty, to which the aforesaid bilateral agreement imparts even greater moral and legal strength, if possible.

b. The idea that the rights of navigation granted to Costa Rica on the San Juan River do not extend to war vessels, but simply to vessels for fiscal and defensive purposes; this being an interpretation which in no wise weakens the doctrine set forth regarding the practical ownership which Costa Rica has of a large part of the San Juan River; for navigation with war vessels, besides being likely to constitute a cause of uneasiness, would imply a function peculiar to territorial sovereignty.

c. The material demarkation of the boundary line between the two countries on the Atlantic side, as a means of settling the points of doubtful interpretation communicated by the Republic of Nicaragua.

With regard to the possible construction of an interoceanic canal, the Cañas-Jerez Treaty and the Cleveland Award embody the following categorical stipulations, on which this Court will base its decision, because they are absolutely pertinent to the case in point:

Article 8 of the Cañas-Jerez Treaty says:

If the contracts for canalization or transit concluded before the Government of Nicaragua had knowledge of this agreement, should become ineffective for any reason, Nicaragua agrees not to conclude another one on the said subjects without first hearing the opinion of the Costa Rican Government in regard to the objections which the two countries might have to the deal, provided that such opinion shall be expressed within 30 days after receiving the request therefor, in case the Nicaraguan Government states that the solution of the problem is urgently necessary, and if the natural rights of Costa Rica are not impaired in the deal; this voice shall be a consulting one.

Article 10 of the Cleveland Award reads thus:

The Republic of Nicaragua is obligated not to make concessions for purposes of a canal across its territory without first asking the opinion of the Republic of Costa Rica, as provided in Article VIII of the Boundary Treaty of April 15, 1858. The natural rights of the Republic of Costa Rica, as referred to in said stipulation, are the rights possessed by it, by virtue of the boundaries fixed by said Treaty, over the soil which is recognized as belonging to it exclusively; those which it possesses in the ports of San Juan del Norte and Salinas Bay; and those which it also possesses in all that part of the San Juan River which lies over three English miles below Castillo Viejo, the measurement beginning at the external fortifications of that castle, as they existed in the year 1858; and perhaps other rights which are not particularly specified here. These rights must be considered as impaired in all cases in which the territory belonging to the Republic of Costa Rica is occupied or inundated, or in which anything injurious to Costa Rica is done in any of the aforesaid ports, or in which there occurs such an obstruction or deviation of the San Juan river as to destroy or seriously impede the navigation thereof or of any of its branches at any point where Costa Rica has a right to navigate them.

These accompanying provisions restrict the right of Nicaragua to make free disposal of her rights of ownership over the waters of the San Juan River, inasmuch as it is indispensable that the decisive opinion of Costa Rica be first heard in order to render the contract lawful, in view of the significant fact that both Republics maintain perfect rights in that river, which has been considered since olden times as being the artery calculated to give life to the projected waterway.

Whereas: The *status juris* existing between the Republics of Costa Rica and Nicaragua having been examined in the light of the clear and positive provisions of the Boundary Treaty and the Cleveland Award, it is necessary to declare in what way the Bryan-Chamorro Treaty affects that legal situation.

That treaty was concluded without an official notice being given to the Costa Rican Government, notwithstanding a solemn agreement imposed upon Nicaragua the undecidable obligation to hear the opinion of the former before concluding any concession regarding the interoceanic canal. This is so stipulated in the Cañas-Jerez Treaty, the pertinent part of which was reproduced under the preceding "Whereas"; and this is confirmed in the arbitral award of President Cleveland, according to the wording of No. 10 of his declaration, which was also reproduced above.

Costa Rica ought to have been heard; and her voice might have been a consulting or a decisive one, according to the case. If the concession impairs her "natural rights," "it appears that her consent is necessary," says the Cleveland Award; and in case the concession does not affect such rights the voice will be a purely consulting one.

With respect to the Bryan-Chamorro Treaty, the necessary consultation was lacking. The Court unanimously settled this point, replying on the Nicaraguan Government's own statement, it excusing this failure on the ground that it has ample power to grant this kind of concessions by itself, as a manifestation of its unrestricted sovereignty within its own limits of jurisdiction.

The Court holds the different opinion than this in passing on the matter. The canal concession granted to the Government of the United States has two aspects, viz, the alienation of the rights necessary for the construction of the interoceanic canal by way of the San Juan River, and the privilege granted to the purchaser to locate the route at any other point of the Nicaraguan territory. In the first case Costa Rica ought to have been heard and her voice would have been decisive in character, for any cession made in regard to the San Juan River involves an impairment of her "natural rights" as specified in No. 10 of the Cleveland Award.

Costa Rica has an undisputed right to the right shore of the river; to the soil situated within her jurisdictional boundaries; she has joint ownership in the ports of San Juan del Norte and Salinas Bay; the contractual right of perpetual navigation on the river, beginning at a point three miles below Castillo Viejo, comprising the broad privilege of transit and commerce, and which imposes upon Nicaragua the duty not to impede such navigation, but on the contrary the duty to keep the course of the river free; the rights of coming to on both its shores throughout the zone in which the navigation is common; and the rights pertaining to guarding and defending it "as effectively as within her power." The Bryan-Chamorro concession, in granting the necessary rights to construct a canal via the San Juan River, forgot the legitimate rights of the High Complainant Party, for the reason that the carrying out of this work by this route necessarily implies the occupation of the Costa Rican shore or the consequent inundations of her territory as well as the use of the Costa Rican affluents, etc., and in case, as a result of the canal, the waters of the San Juan River should be diverted from their course, the result would be to render nugatory the right of Costa Rica to navigate said river and its affluents, in regard to all of which Costa Rica has the aggregate of rights which have been specified. At least this is the conviction gathered from the letter and spirit of the Boundary Treaty and the Cleveland Award, when they make every concession of this kind contingent upon the duty to hear and consider the decisive opinion of Costa Rica. The idea no doubt weighed in the mind of the illustrious negotiators of 1858 and of the Honorable Arbitrator that, when it was a question of San Juan River, it was practically impossible to construct an interoceanic waterway without affecting Costa Rican lands and waters, which, in case they served as the seat of the gigantic enterprise, required to be respected. Perhaps, also, Costa Rica was right in demanding due compensation for the use of natural features subject to her jurisdictional authority. And finally, perhaps there was the consideration of a political and moral character that, besides their material interests, the two Republics have their past, present, and future closely bound together, apart from other grounds of a higher order, because nature had joined them together in the enjoyment of so important a fluvial artery. Thus is explained the fact that article 8 of the Cafiias-Jerez treaty stipulates that the opinion of the Government of Costa Rica shall relate "to the disadvantages which the deal may have for the two countries." She is not granted the right to be heard solely on behalf of her own exclusive interests, but she is given the high prerogative of pointing out the disadvantages which the concession might offer to either country. The moral solidarity which this signifies reaffirms the legal judgment of the Court with respect to the conclusion that the natural rights of Costa Rica are affected by the alienation of the necessary rights to construct an interoceanic canal via the San Juan River. As regards the privilege granted to the United States Government to locate the canal route via any other point of the Nicaraguan territory, Costa Rica should also have been heard; but her opinion in this case would only have been advisory in character. This prerogative being granted out of deference to high political and moral interests, the opinion of Costa Rica possesses in this case only the weight of a mere consulting voice.

In order to penetrate into the spirit and scope of this right, it will be necessary to take a retrospective glance back to the time when the Cafiias-Jerez Boundary Treaty was signed. A filibustering invasion had just occurred in Nicaraguan territory, and it deeply concerned Costa Rica, which contributed toward the restoration of constitutional order in the neighboring Republic.

It is natural, therefore, that, as the desire of union lasted, they should join together their destiny in so important a work, designed to mark out a new course for their future.

The diplomatic history of the two countries, as appearing from public documents, shows that in times past the Republic of Nicaragua repeatedly fulfilled the obligation of consulting Costa Rica, thus giving an opportunity for an exchange of impressions and ideas regarding canal concessions. And when, in 1868, the representative of Nicaragua signed a canal contract at Paris with Mr. Miguel Chevalier, a special mention was made to the effect that "if the Republic of Costa Rica refuses to adhere, the present Treaty shall be annulled by that fact." This means that the interpretation of Nicaragua as regards her contractual obligations with Costa Rica, as arising from the Boundary Treaty, is the same one declared by the Cleveland Award and by the present decision of this International Central American Court. Nicaragua at that time very justly considered that there was a servitude on her territorial dominion in favor of Costa Rica, limiting, in the judgment of this Court, her contracting power with respect to interoceanic canal deals; and there is no reason for thinking that that obligation has ceased; for so far from there being any ground at present for considering the Cañas-Jerez Treaty void, its validity was confirmed in the Arbitral Award of President Cleveland, to whose decision the High Parties attributed the legal weight of a perfect and obligatory treaty.

Whereas: The allegations of the Nicaraguan Foreign Office are worthy of being taken into consideration, they being to the effect that the Government which it represents, in concluding the Bryan-Chamorro Treaty, acted within its sovereign powers, contracting with regard to its own exclusive territorial domain. The absolute and general terms of that contract enable the contrary to be maintained.

In view of Clause I, the conviction arises that the alienation made affects lands and waters of the San Juan River, a fluvial territory regarding which both countries preserve rights and obligations which incapacitate them from contracting effectively one to the exclusion of the other. And even if it did not impair the natural rights of Costa Rica, the contract would lack the indispensable requisite of having received the consulting voice of that Republic as to "the disadvantages to the two countries" which the convention might offer.

According to the tenor of the provisions cited, it is impossible to consider a single case of a concession for canal purposes which does not have to be brought to the knowledge of Costa Rica always, and submitted to her decision when it impairs or affects her rights.

The argument that it will be necessary to perfect the canal contract by means of a subsequent convention between the United States and Nicaragua, whereupon the undecidable requisite will be fulfilled of consulting Costa Rica and obtaining, if necessary, her consent, likewise finds no support in the correct concordant interpretation of the Bryan-Chamorro Treaty and the Boundary Treaty of 1858. It has already been said that in the former there was contracted a perfect alienation, a transfer in consideration of a fixed price, of the property rights necessary and suitable for the canal route, of which the Republic of the United States is made owner in perpetuity and without any limitation.

Neither do the Boundary Treaty and the decision of its authoritative interpreter favor that thesis. Those diplomatic instruments impose the obligation of consulting Costa Rica as an act prior to any canal contract, and they even fix a period for the duration of such hearing in cases when a prompt decision is necessary. Otherwise the right of Costa Rica to be heard and to give a decisive opinion would lack any efficacy. This right is to be exercised on an occasion favorable for obtaining some practical result, not only in order to guarantee its territorial and contractual rights, but in order to lend the assistance of its opinion and advice toward the common interests of the two peoples.

To wait until the site of the proposed work is located and until the "natural rights" of Costa Rica have suffered concrete and material injury before deeming it appropriate to give a hearing to the High Complainant Party would be equivalent to disowning the fact that there are acts, of nations or individuals, which involve virtual injury without material realization. Civil legislations authorize protests to be filed against acts which imply a threat against the rights of private owners, and a like principle governs in international relations, in which there are abundant cases in which a nation protests on behalf of its fundamental rights of existence and preservation

against an act which involves a mere threat or danger to the development of those rights.

Whereas: The contention of the High Complainant Party in impugning the Bryan-Chamorro Treaty as detrimental to its rights is just, for these rights were compromised in an alienation which did not have its cooperation or consent, in order to compromise material and moral interests which do not belong to it exclusively, being derived from a solemn contract which marked out the course to be followed in the future in view of the prospects of canal negotiations. And it is of no avail to point out that the American Senate, in granting its ratification to the Treaty, embodied therein an additional amendment which provides:

Whereas Costa Rica, Salvador, and Honduras have protested against the ratification of said convention, in the fear or belief that it may in some way impair existing rights of said nations; therefore be it declared by the Senate that, in advising and consenting to the ratification of the convention, as revised, such advice and consent are given with the understanding, which should be expressly embodied as part of the instrument of ratification, that nothing in said convention intends to affect any existing rights of any of the said nations.

The intention is noble and of high value, and without doubt it involves a compromise on the part of the United States; but it is ineffective as regards the legal relations between the nations at variance, inasmuch as the injury inflicted upon the rights of Costa Rica was consummated and the amendment does not produce the effect of restoring matters to the legal status created by the Cañas-Jerez Treaty.

Furthermore, it appears from the Official Gazette of the Nicaraguan Government of August 25 of this year that the Nicaraguan Congress, in giving its high approval to the Bryan-Chamorro Treaty, excluded the amendment of the American Senate, thus removing the unity of the will of the two High Parties on this important point and wresting from the senatorial amendment whatever moral force it might have had.

Whereas: Article IX of the General Treaty of Peace and Friendship, signed at Washington, provides:

That the merchant vessels of the signatory countries shall be considered, in the seas, on the coasts, and in the ports of the said countries, as national vessels; they shall enjoy the same exemptions, liberties, and concessions as the latter; and they shall not pay any other dues or bear any other burdens than those paid or borne by the vessels of the country concerned.

The Bryan-Chamorro Treaty, in leasing a naval base to the United States in the Gulf of Fonseca and on the so-called Great Corn Island and Little Corn Island, in the Caribbean Sea, did not reserve in favor of the High Complainant Party the rights mentioned and which were mutually granted to each other by Nicaragua and Costa Rica, for a period of ten years, subject to extension. This failure renders those rights uncertain, inasmuch as the territories thus leased and the naval base which might be established will be exclusively subject to the laws and sovereign authority of the United States, a nation with (respect to) which Costa Rica does not maintain the same legal status (situation) in matters of navigation as with Nicaragua.

Whereas, finally: The time has arrived for examining the petitioning part of the suit, as contained in points second and third, wherein it is requested that the Bryan-Chamorro Treaty be declared void, not only owing to the violation it involves of the rights of Costa Rica, but also because both Contracting Parties knew, when they signed it, the relative incapacity of Nicaragua to conclude (grant) it without restrictions.

The Court, upon considering this point, declared by unanimous consent of its magistrates that it ought not to render any decision thereon, for the reason that the Republic of the United States of North America is not subject to the jurisdiction of the Central American Court of Justice, an institution called upon exclusively to determine the rights as among Central American Nations which may discuss their opposing interests or air their differences before it.

To judge of the lawfulness or unlawfulness of the action of a contracting party which is not subject to the jurisdiction of the Court, or to pass upon its conduct and render a decision which shall be broad and absolute enough to comprise it when it was neither a party to the suit nor had an opportunity to be heard—such is not the mission of the Court, which, being imbued with a sense of its high duty, desires to keep within the sphere of its particular powers.

This doctrinary opinion is strengthened by the estimable opinion of the High Complainant Party, as expressed by one of its representatives, Attorney José Astúa Aguilar, who, in setting forth his final arguments at the public hearing of the 11th instant, summarized and epitomized the final part of the suit, for the purposes of the final decision in the following words:

The indubitable rights of Costa Rica, as established and substantiated in the Cañas-Jerez Treaty, the Cleveland Award, and the General Treaty of Peace and Friendship of Washington, have been violated by the High Defendant Party in the Bryan-Chamorro Treaty, and according to the text of the said conventions and arbitral award the High Defendant Party was legally incapacitated from concluding the treaty without the participation and consent of my Government.

The Court considered and discussed each and every one of these violations of law and decided that they existed. Being a faithful interpreter of the contractual obligations which bind the countries in dispute, and taking as its basis the universal doctrine which governs the harmonious existence of nations, it declared that the Government of the Republic of Nicaragua had inflicted on the Government of Costa Rica the injuries of which the latter complains. It can not give any broader scope to its decision, for the latter would not have any binding force on a nation foreign to the "institutional" system created by virtue of the Washington Treaties.

Therefore: This Court of Justice, in the name of the Republics of Central America, in the exercise of the jurisdiction conferred upon it by the Washington Convention of 1907 to which it owes its existence, and in accordance with the provisions of Articles I, XIII, XXI, XXII, XXIV, and XXV of the aforementioned convention; and 6, 38, 43, 56, 76 and 81 of the code of procedure of the Court; and also in accordance with the conclusions voted at the session of the 22d of the present month, renders, by a majority of four votes against that of Magistrate Gutiérrez Navas (who states the reasons of his vote separately), the following

AWARD:

First. The peremptory exception interposed by the High Defendant Party is declared inadmissible, and this Court is consequently declared competent to decide the suit brought by the Government of Costa Rica against the Government of the Republic of Nicaragua.

Second. It is declared that the Government of Nicaragua has violated, to the detriment of Costa Rica, the rights granted to the latter by the Cañas-Jerez Boundary Treaty of April 15, 1858; the Cleveland Award of March 22, 1888; and the Central American Treaty of Peace and Friendship of December 20, 1907.

Third. As regards the Bryan-Chamorro Treaty being void, as claimed in this suit, this Court can not make any declaration whatever.

Let this award be made known to the High Interested Parties and to the other Governments of Central America.

ANGEL M. BOCANEGRA
M. CASTRO R.
SATURNINO MEDAL
DANIEL GUTIÉRREZ
NICOLAS ORIAMUNO
MANUEL BOHEVERRIA

Secretary

File No. 817.812/260

The Minister of Costa Rica to the Secretary of State

[Translation]

LEGATION OF COSTA RICA,
Washington, October 30, 1916.

MR. SECRETARY: I have the honor to inform your excellency that on the thirteenth day of September of this year the most excellent the Central American Court of Justice handed down its decision in the action brought by my Government against the Republic of

Nicaragua in the matter of the conclusion of the Bryan-Chamorro Treaty signed in this capital on August 5, 1914.

The high tribunal, as your excellency will see in the judgment of which I permit myself to enclose an English translation,¹⁵ definitively declared that

the Government of Nicaragua has violated, to the injury of Costa Rica, the rights granted to the latter by the Cañaz-Jerez Treaty of Limits of April 15, 1858, by the Cleveland award of March 22, 1888, and by the Central American Treaty of Peace and Amity of December 20, 1907,

and abstained from passing upon the question of validity of the Bryan-Chamorro Treaty as foreign to the Tribunal's jurisdiction.

The sentence unfortunately failed to bring to an end the differences which originated it, for, the Government of Nicaragua far from abiding by it with due submission and respect, officially declared that it rejected it *de plano*, thus fundamentally disparaging the high authority which issued it.

The intemperate course taken on this occasion by Nicaragua virtually impugns the stability, the very existence of the institution which for nearly nine years has kept off the Central American Republics the sanguinary strifes which they so frequently waged against one another theretofore, an institution in the genesis of which the altruistic intervention of your excellency's Government took a leading part and on which so much well deserved praise has been bestowed by all those who indefatigably labor in the cause of the high ideals of peace and fraternity among the nations.

In the presence of the situation so created and with a view to procuring all the elements that may serve in enlightening its judgment as to the choice of measures to be taken by it my Government has instructed me very respectfully to beseech of your excellency an expression of your Government's opinion concerning the action and future of the Court.

I am [etc.]

MANUEL CASTRO QUESADA

File No. 817.812/269

Minister Jefferson to the Secretary of State

No. 319

AMERICAN LEGATION,
Managua, November 8, 1916.

SIR: I have the honor to enclose herewith for the information and files of the Department a Spanish copy and translation of a telegram from the Secretary of the Central American Court of Justice, San José, Costa Rica, to the Minister for Foreign Affairs, Managua, relative to the refusal of the Nicaraguan Government to abide by the sentence issued by the Court in the suit maintained by Costa Rica against Nicaragua, and also a Spanish copy and translation of a telegraphic reply thereto by the Nicaraguan Minister for Foreign Affairs.

I have [etc.]

BENJAMIN L. JEFFERSON

¹⁵ Not printed. See inclosure to dispatch No. 102, from the American Legation at San José, Costa Rica, dated October 16, 1916, printed ante, p. 862.

[Inclosure—Translation]

(From *El Herald*, Managua, Tuesday, October 24, 1916)

From San José, Costa Rica, October 17, 1916, 4.50 p. m.
Received at the Palace, 8.40 p. m. of the 19th idem.

THE MINISTER FOR FOREIGN AFFAIRS.

I have brought to the knowledge of the Central American Court of Justice your excellency's telegraphic despatch purporting to protest against the sentence issued in the suit initiated and maintained by the Costa Rican Government against that of Nicaragua; a despatch in which it is also stated that your excellency's Government refuses to abide by that sentence, basing such attitude on the assertion that the tribunal was lacking in all competence and jurisdiction for the definite trial of the case; that it is contrary to the provisions of its constitutional law, to the interests of the Republic and an offense to the dignity and sovereignty of the nation. The tribunal confers on me the authority to forward to your excellency, on the grounds of so unwonted a declaration, the following observations framed in obedience to the precept contained in article 14 of its regulations. The Central American Court possesses unrestricted power to take cognizance of all differences which may arise among the signatory States of the Washington Convention, whatever may be their origin and nature, and it has the exclusive right to determine its own competence. In the case under discussion that competence and jurisdiction were amply considered and determined by the tribunal after hearing and judging the allegations of the Government sued, and the sentence issued is binding on the high litigant parties in respect due to the treaties. The Central American Court expects to guarantee with its authority, based on the honor of the States, the rights of each one of them in their reciprocal relations, and this high prerogative would become null, were it possible to protest against its sentences and disavow the moral and legal efficacy that they have. The tribunal is confident that these brief considerations will suffice in order that your excellency's Government, aware of the transcendence and gravity that its attitude involves, will respect the sentence issued, as an homage due to honor and good faith pledged in the Washington International Pacts and due to the prestige of the noble institutions of Central America. As to the vehement tone of the language in which the protest is framed, it is not lawful for the tribunal to take it into consideration, unless it be to deplore that one of the litigant parties should claim for itself the privilege to censure, in the form it does, the sentences of the tribunal.

With all consideration, I remain sincerely yours,

MANUEL ECHEVERRÍA

Managua October 22, 1916.

Secretary of the Central American Court of Justice. San José, Costa Rica.

I acknowledge the receipt of your telegraphic message of the 17th instant, in which you are pleased to express that with authority from the Central American Court of Justice you answer my despatch of the 14th.

The surprise, which you state has come to that tribunal because my Government refuses to abide by the sentence of the Court, is inexplicable, for from the beginning and in a clear and definite form I said that this Department could not admit, even conditionally, the competence of the said tribunal to judge and to decide on the suit maintained by Costa Rica, having myself set forth in a despatch of August 1 last the incompetency and total lack of jurisdiction of the Central American Court of Justice, as all that in the final sentence that should have been determined, and besides having declared that in case of an adverse decision Nicaragua could not abide by it.

My Government does not admit nor could it admit the pretended unrestricted power of the Court to judge all differences arising between the Central American States. The Treaty of Peace and Amity of 1907 as well as the convention which created the same Court determine the true nature and the limit of the functions of this last, when it declares that its object is to establish the basis which should fix the general relations of the five countries and insure among them unalterable peace and harmony, there efficiently guaranteeing their rights.

Nothing that touches on the sovereignty and local integrity of the five Republics enters in the purposes of the agreement. By agreement they keep their full autonomy and equality, coming together only to maintain and insure

their internal and pacific relations. And it could not be otherwise, for no nation in the world could possibly submit for the decision of a foreign nation its security and preservation and leave to the approbation of another country its own progress and development.

Neither is it admitted by Nicaragua that the power granted to the Court should extend to controversies prior to the treaty, and much less that it can revise an arbitration award wholly accepted by the parties, thereby trying to bring anew for discussion questions definitely decided long ago. Such is the case with the Court, which in its last sentence has proposed to renew the old boundary question between Nicaragua and Costa Rica, interpreting at will President Cleveland's Award, in order to establish against the plain text of the same award a common or joint ownership of the two countries in Salinas Bay and in San Juan del Norte, something which has never existed and which has been openly claimed notwithstanding that many years ago the boundary line between both Republics was determined in a definite manner by authorized representatives of Nicaragua and Costa Rica.

Neither is it accepted by Nicaragua that the Court has by full right the power to judge controversies or questions which may arise between the Central American States. All of its power comes from the convention which gave life to it and which in its first article provides in a precise and definite manner that that jurisdiction can be acquired only in the case that there should arise a controversy or dispute among the Republics of Central America and that the respective Foreign Offices had not been able to come to an agreement.

Therefore, in the case under discussion the Court could not have declared its competency, since Article I of the convention excludes it in an express and categorical manner; and in the other cases, not included in the said Article I, in which the Court could have the right to decide on its competency it would not be in a manner arbitrary or wilful, but it would have to be strictly adjusted to the principles of justice and equity, and those established in the convention which gave origin to the same tribunal.

Notwithstanding this, the court under pretext of that pretended unrestricted power has not hesitated to make two interpretations, diametrically opposite, of the same Article I of the convention already mentioned, in order to give judgment always against Nicaragua in matters of equal nature. Thus, in the sentence issued on May 2 last in favor of Costa Rica, it is declared that the reservation contained in Article I of the convention has not for its object "to establish the inviolable condition of making and exhausting all efforts in such sense" (that of the convention), and in the sentence issued on September 6th following in favor of Salvador, it declares that "when the nations signatory to the convention creating the Central American Court of Justice contracted the obligation to submit to the judgment of the tribunal all the controversies which might arise among them, they fixed in the first clause of the said pact the jurisdiction and competency of the court, without other limitation than that of the Foreign Offices of the Governments, which have a disagreement, not being able to arrive at an understanding." To this contradiction in judgments I solemnly called the attention of the tribunal in a telegram of September 9 last.

In the face of these facts which have resulted in the violation, on the part of the Court, of the Washington Convention and President Cleveland's Award, notwithstanding the representations which from the beginning have made Nicaragua to comply completely with the stipulations thereof, the same tribunal may pass judgment, if such anomalous and contradictory proceedings, as those which have just been exposed, are the most adequate to inspire confidence in the justice and impartiality of its judgments and to give it that prestige with the same Court claims for the noble institutions of Central America. With such precedents even more excessive and irritating is the pretension of that Court that the Nicaraguan Government should obey a sentence issued in violation of the international pacts in compliance with which the honor and good faith of the Republic are pledged.

Aside from this, the vehemence of the language for which the Court blames this office scarcely approaches the magnitude of the offense committed against this country by that tribunal, by declaring against all truth, against all reason and against all justice that Nicaragua has violated the Jerez-Cafias Treaty, the Cleveland Award and the Washington Conventions. Quite beyond that, my Government, which has remained faithful in all circumstances to those international obligations and which in vain has demanded the compliance therewith from the same Court, has invariably kept in its relations with all

the countries and especially with those of Central America within the limits of right and of the most absolute respect to the pledged good faith, without interfering in the internal troubles of the neighboring States, but rather making an end once for all of the piratical incursions which recently afflicted some peoples in Central America, although in exchange for this honest conduct and neighborly kindness it had received only their ill will, even though there were no undue aggressions and interferences on the part of the same which have been the most benefited by that policy of justice.

DIEGO M. CHAMORRO

File No. 817.812/283

Minister Long to the Secretary of State

[Extract]

No. 124

AMERICAN LEGATION,
San Salvador, December 2, 1916.

SIR: I have the honor to enclose copies of the originals and translations of the protest which Honduras forwarded to Salvador under date of September 30, 1916, and of the Salvadorian reply dated October 7, 1916, which Mr. Manuel Delgado, special representative of President Melendez of Salvador recently delivered to the former Government.

I have [etc.]

BOAZ W. LONG.

[Inclosure 1—Translation]

The Minister of Foreign Affairs of Honduras to the Minister of Foreign Affairs of Salvador

DEPARTMENT OF FOREIGN AFFAIRS,
Tegucigalpa, September 30, 1916.

MR. MINISTER:—The Secretary of the Court of Justice of Central America, in the note of the 6th of the present month, has communicated to my Government the resolution of that tribunal of the sixth of the same month, in which it admits the demand started by the Salvadorian Government against Nicaragua for the making of a treaty between the latter and the United States, August 5, 1914, known as the Chamorro-Bryan Treaty, and which Salvador considers as injurious to her rights for the reasons that she states in the petition which was presented to the tribunal on the 28 of August last, the document which was published by the Salvadorian Legation in Costa Rica.

Among the principles of the demand, your excellency's Government holds that it has codomination over all of the Gulf of Fonseca, saying that—

Since the XVI century at which time this Gulf was discovered by the Spaniards who conquered Central America, naming it the Gulf of Fonseca, in honor of the President of the Council of the Indies, under whose charge was the governing of these lands, and who ruled them for the Crown of Castile, the mother country, whose rights of exclusive domination was never placed in doubt; and when Central America was emancipated, the above domination passed to the Federal Government which was made up of the five States, and that—

The exclusive domination in these waters, during the rule of Spain, and the dominion of the five federated States of Central America after the emancipation; and stronger still the exclusive dominion of the three States, Salvador, Honduras and Nicaragua, who, on account of their geographical situation around the Gulf, makes it evident, among other things, that they have exclusive dominion, and no other nations have even pretended to use these waters for objects of fishing or other uses.

The demand of that Government states further that—

It is of no importance that Honduras and Nicaragua in consequence of a convention for the marking of Boundaries, made in October 7th, 1894, placing in 1900 a dividing line in the Gulf of Fonseca; for this act was consummated without the consultation of Salvador, who is indispensable in order to give any such pact validity and effectiveness, for it was a pact of covering common property, not only of Honduras and Nicaragua, but also of that sovereign State,

it further states—

It cannot produce in any manner a restriction of the rights of codomination and co-sovereignty that Salvador has always had in the Gulf of Fonseca since the Federation of

Central America was dissolved to the present time, for she was not a party to the convention, and did not take part in any form in the making of the above-mentioned boundaries.

Also it states—

Fonseca Gulf, on account of the manner in which domination has been exercised over its waters since the XVI century, belongs to the category of waters called "Historical Bays" which should be considered as belonging to the exclusive domination of the States who own its shores, and furthermore Fonseca presents the peculiar condition, in that its entrance at the Islands of Meanguera and Meanguerita, on a straight line from the Point of Chiquirin, on the mainland of Salvador, to Point Rosario on the NE. part of the peninsula which forms the promontory of Cosiguina, in Nicaragua, is not wide enough to be considered in international law as "closed or territorial."

The Government of Honduras will not enter into the discussion which your excellency's Government has started in its demand against Nicaragua regarding the rights in Fonseca Bay, nor is it presumed that the Court of Justice of Central America can decree a point affecting the Government of Honduras in a case in which this Government has no intervention.

The object of this note, Excellent Sir, is to protest in the name and with the expressed wish of my Government, against the pretended right of codomination which is alleged by the Government of your excellency in its demand against the Government of Nicaragua, and to declare, as my Government has already formally declared, that she does not recognize and has not recognized, any state of codomination with Salvador, nor with any other Republic, in the waters of Fonseca Bay which correspond to Honduras.

And furthermore, my Government declares that the boundary made in the year nineteen hundred in the waters of the above waters by the Mixed Commission of Boundaries of Nicaragua and Honduras, to determine clearly the boundaries of their maritime frontiers, has from the moment that it was made been effective and valid, in the same manner as is the other of the boundary which was fixed by the above commission on land between the two Republics, and that at no time since the fixing of the above boundary has the Government of El Salvador ever given any objection to the validity of the same.

The circumstances of not having made a boundary line between Honduras and Salvador in this Bay does not constitute a codomination and cosovereignty in the waters of Fonseca.

The text of Article 13 of the Law of Salvador on navigation and waters states:—

The territorial waters of the Republic are divided into five maritime departments, in the following manner:

1. Maritime Department of La Union, composing the Bay of Conchagua, that part of the Gulf of Fonseca in which are situated the Salvadorian Islands, and the territorial waters as far as the parallel of the eastern mouth of the San Miguel—

thus showing that the Government of your excellency never considered that any community existed with Honduras in the above waters.

The rights which Salvador thinks she has over part of the Gulf of Fonseca or over some of its islands, is not defined nor recognized by Honduras. But the Government of Honduras judges that, notwithstanding the indetermination of the boundary line, the State of El Salvador, which shows her proper limits in her first Constitution after the independence, cannot extend the limits further than is justified in the Constitutions of the two Republics.

In having the honor to communicate to your excellency the present note, I wish to express the deep feeling which my Government experiences at the harmony which has always existed between Honduras and Salvador.

I pray that your excellency will notify your Government of my Government's note which will also be communicated to the Court of Justice of Central America, and I am pleased to reiterate [etc.].

MARIANO VASQUEZ

[Inclosure 2—Translation]

The Minister of Foreign Affairs of Salvador to the Minister of Foreign Affairs of Honduras

MINISTRY OF FOREIGN AFFAIRS,
San Salvador, October 7, 1916.

MR. MINISTER: I have the honor to refer to the note of your excellency, dated September 30 last and to the protest which, in the name of the illustrious Government of Honduras, your excellency formulates in that note, regarding

the protest which my Government has made against the Government of Nicaragua over the treaty known as the Bryan-Chamorro Treaty.

The arguments of which it treats, are relative to the codomination which Salvador considers that she has in the waters of the Gulf of Fonseca in community with Honduras and Nicaragua, and the reasons for her opposition to the giving of any portion or section of these waters for the establishing of a naval base which a foreign nation has the intention of establishing.

The Government of your excellency does not admit this codomination, and supports its contention in this respect, by the fact that it has made a boundary line marking its jurisdiction with Nicaragua in 1900, by virtue of the Treaty of Boundaries celebrated in 1894.

My Government has no objection as to the validity of the above-mentioned treaty, nor to the marking of the boundaries fixing the jurisdictions, between Honduras and Nicaragua, on the waters of the Gulf of Fonseca, in so far as it affects only the jurisdictions of those two Republics. For this reason we have had no reason for opposing any of these acts up until now. But it is not admissible, in any way, that our silence can be interpreted as a renunciation of our rights of coownership in an inheritance which, from time immemorial we have possessed and possess in this form, in union with Honduras and Nicaragua; and neither does that treaty and act of partition of this inheritance produce the effect of nullifying the rights of codomination which belong to Salvador in the waters of that Gulf, nor to impede the opposition to the stipulations which do not recognize these rights and which place in peril the national security. A pretension which will violate the principle of equality and justice which does not permit the acts of third parties to suffer because they have not had a word in the making of such treaties.

Your excellency states that Article 13, number 1 of the law of navigation and sea renders null and void the right of codomination which Salvador claims in the Gulf of Fonseca, because the divisions cited in this law show that there is no codomination.

The law states thus:—

Art. 13. The territorial waters of the Republic are divided in five maritime departments, in the following manner:

1. The Department of La Union is composed of the Bay of Conchagua, that part of the Gulf of Fonseca in which are the Salvadorian Islands, and the territorial sea to the parallel with the mouth of the River San Miguel.
2. Maritime Department of El Triunfo, is composed of the sea (territorial) between the parallel to the mouth of the River San Miguel and parallel to the mouth of the River Lempa.
3. Maritime Department of La Concordia.
4. Maritime Department of La Libertad.
5. Maritime Department of Acajutla.

This regulation or law has no other object than to determine the respective jurisdictions between the commandants of the Ports of La Union, El Triunfo, La Concordia, and Acajutla, for the purposes of political administration. Of a purely domestic character, it is, nevertheless, consonant with the axiom of Bynkerschoek, which is cited in the complaint against that Government. Thus in the reference to the Gulf of Fonseca it is shown that the part occupied by the Salvadorian Islands forms part of the territory of the nation, which agrees with that axiom, since the intermediate waters between the islands and the main land and the islands nearest to it are under the actual control of Salvador, on account of the small width of the channels formed by them. Furthermore, that provision also agrees with the doctrine of the Law of Nations, accepted by the writers, according to which the islands, reefs and sand banks near the main land of a nation are considered to be an extension of the territory of that nation; which doctrine stands in close connection with that supported by Bynkerschoek.

As above explained, the object of Article 13 of the law on ocean navigation was to fix the limits of a jurisdiction between the maritime commanders and, while the reference to the Gulf of Fonseca in its No. 1 further shows clearly that in the mind of the lawmaker that part of the Gulf occupied by the Salvadorian Islands must be regarded as an extension of the territory of Salvador, it could not imply that Salvador had relinquished the exercise of territorial rights which the principles of international law grant it over the adjacent sea.

On the other hand, the same Salvadorian law clearly and positively so determines in Articles 2 and 16, which appear in the copy of Annex N in the complaint against the Government of Nicaragua, which your excellency de-

clares you have before you in the publication issued by our Legation in Costa Rica.

Article 2 establishes that the adjacent sea, as far out as a marine league is national territory; but that the police rights for matters concerning the safety of the country and the enforcement of the revenue laws extends as far as four marine leagues measured from low water mark.

Article 16 states that each maritime commandant has the right of policing which belongs to the nation over the four marine leagues mentioned in Article 2 within the limits of the parallels which mark their respective departments, that is to say, that the Commandant of La Union, without passing the parallel to the mouth of the River San Miguel, which also marks the jurisdiction of the maritime department of El Triunfo (on its south) is charged with the duty of making effective the authority of the territorial jurisdiction which belongs to Salvador, over the sea to a distance of four marine leagues (twelve miles) which in the Gulf of Fonseca is measured from the furthest limit of Salvadorian territory into the waters of the Gulf.

Consequently, the regulations of the law cannot logically be construed by your excellency as you stated in your note, with regard to the protest made by my Government.

Finally, the Government of Salvador cannot admit in any manner, any doubt as to her rights of codomination which she has always possessed and exercised in the waters of the Gulf, rights which she could only renounce by a treaty of partition legally made, by the three States who are coowners.

In replying to the note of your excellency, I wish to state with what pain your note has caused my Government in protesting to its just demand which it has placed before the Court of Justice of Central America regarding the codomination which Salvador, Honduras, and Nicaragua has in the waters of the Gulf of Fonseca.

This pain is all the more greater when it is taken into consideration that the Salvadorian people and the Honduranian people, as your excellency has so well expressed it, have always maintained the most friendly relations, relations of fraternity, inspired by the most sincere cordiality and which have always kept the two sister nations in harmony.

I reiterate [etc.].

F. MARTINEZ SUAREZ

*The Central American Court of Justice to the Governments of
Costa Rica, El Salvador, Honduras and Guatemala*

[Translation. Handed to the Secretary of State by the Minister of Costa Rica December 7, 1916.]

CENTRAL AMERICAN COURT OF JUSTICE,
San José, Costa Rica, November 9, 1916.

MR. MINISTER: I have the honor to inform your excellency that the office in my charge, in obedience to instructions from the Court, has this day addressed to the Governments of Guatemala, Honduras and El Salvador the following communication:

CENTRAL AMERICAN COURT OF JUSTICE,
San José, C. R., November 9, 1916.

MR. MINISTER: The office under my charge, in fulfillment of the duty imposed thereon by Article 56 of the Ordinance of Procedure of the Central American Court of Justice, hereby, in due course, communicates to your excellency's Government and to the other Governments of Central America the decision rendered on the 30th of September last by the Court on the complaint brought by the Government of the Republic of Costa Rica against the Government of the Republic of Nicaragua.

On the 17th of October last this office, in obedience to instructions, transmitted telegraphically, by way of a report, to the Governments of Costa Rica, Guatemala, Honduras and El Salvador the telegraphic despatch addressed to the Court by the Department of Foreign Relations of Nicaragua, in which, after acknowledging the notification of the decision referred to, it protests against the decision and declares that its Government is not disposed to abide by it.

On the same date, and in the same form, this office transmitted to those same Governments copies of the message which, in the name of the Court, it addressed to the Government of Nicaragua, making the observations suggested by Article 14 of the Rules of the Court; and I have now the honor to hand your excellency copy of the documents referred to as well as the final reply of the Nicaraguan Government wherein it reiterates its resolution not to abide by the decision of the Court.

The Court, your excellency, must this day fulfil its last duty in this case in compliance with the provisions prescribed in the final part of the Ordinance of Procedures, and for the purposes set forth in Article 14 of the organic convention; and, as the Nicaraguan Foreign Office states in its final message the reasons on which it bases its action in rejecting the decision rendered, the Court has instructed me to present for the consideration of your excellency's illustrious Government a brief analysis of the arguments whereby the decision is impugned, which arguments in fact constitute grave charges against the Court, imputing, as they do, violations of its organic law, breaches of international law, contradictions in its decisions and even inferred affronts to the Republic of Nicaragua.

A single reading of the Central American pacts subscribed at Washington, of the Cañas-Jerez Treaty and the Cleveland Award, on which instruments the Court relied for support in reaching its decision, will suffice to discredit the imputations and charges referred to; nevertheless the Court must not retreat before the moral obligation resting upon it to insist still more, if this be possible, upon the justice of its acts in order that its honor and prestige may be held stainless.

The Government of Nicaragua says that

it does not, and cannot, admit the unrestricted power that the Court arrogates to itself to take cognizance of all the differences that may arise between the Central American States, because nothing that affects the sovereignty and integrity of the five Republics is involved in the treaty stipulations; because no nation on earth would submit to the arbitrament of strangers its security and preservation; and because the powers actually conferred upon the Court do not extend to controversies that arose prior to the conventions.

In such round declarations—patently at variance with the clear, precise and positive terms prescribed in the very first articles of the convention that instituted the Court and the General Treaty of Peace and Amity signed at Washington on the 20th of December, 1907—does the Nicaraguan Government seek to demonstrate that the litigation instituted by Costa Rica is outside the jurisdiction and competence of the Court—a pretense maintained by that Government before even the complaint was admitted.

It must be evident, then, that if this strange reasoning were to find support among the other Governments signatory to the Treaties of Washington, then at once, and perhaps forever, would be effaced an institution that now stands as the worthiest conquest of civilization, one of which the Central American States have been justly boastful and for which they have well merited the applause and admiration of the whole world, and this commendation has been expressed by the most eminent statesmen of Europe and the Americas who have all agreed that the form of arbitration adopted by those countries, in creating the Central American Court of Justice, is obligatory, absolute and unrestricted with respect to the nature and origin of the questions that may be submitted to that Court, and conditioned solely on the fact that in each case the respective Foreign Offices have been unable to reach a settlement.

Don Francisco José Urrutia, ex-Minister of Foreign Relations of Colombia, commenting in his Department Bulletin No. 7, on the Central American Pacts of 1907, said:

The Central American Court of Justice, in the form established by the pacts, we are studying, will give reality to an ideal that has not been reached by the three Pan American Conferences or even The Hague Conference. To that tribunal are submitted, without restriction, all controversies or questions that may arise between the contracting parties, whatever their nature and whatever their origin. This is international arbitration in its simplest form, arbitration such as could not be established in Mexico in 1902, nor in Rio de Janeiro in 1902, nor in Rio de Janeiro in 1906, arbitration without the restrictions and reservations that characterized The Hague Convention for the pacific settlement of international conflicts.

The above authoritative opinion is the same as that which has been maintained on all occasions by the Central American statesmen who have heaped eulogies on the Court in the belief that its creation signified a giant's stride forward in the evolution of our institutions and not a weak compromise in primitive ideas heretofore dominant in arbitration propaganda. And even if Article I of the Convention above cited were not so clear and conclusive, but

still required interpretation, resort could be had to the illuminating report made to the Nicaraguan Government by its delegates to the Conference of Washington, in which the article referred to is commented on in the following language:

Article I fixes the permanent character of the Court of Justice and the principal object of its jurisdiction, which is to take cognizance of all questions that arise between the Central American Governments without a single exception.

And there is also the telegraphic report rendered to his Government by his excellency the Ambassador of the United States of Mexico. Mr. Creel, who took part in the Conferences of Washington, as the delegate of his country, in the character of mediator and who said in that report:

The Permanent Court of Justice will decide all international questions, without exception, and will be the first tribunal possessing that highest of jurisdictions to be organized on earth. I congratulate the President and Minister of Foreign Relations for their friendly mediation in this great work of peace and concord.

And worthy of note also, because demonstrating how far opinion has gone in holding as indisputable the unrestricted jurisdiction of the Central American Court of Justice, is the fact that the Justice from Nicaragua himself, notwithstanding his negative vote on nearly all the points presented in the questionary, in his answer to the sixth question—

Is it the duty of the Court to declare its competence to take cognizance of and decide this cause on the merits?

stated that he voted affirmatively—

only in so far as that the merits relate to differences between the Government of Costa Rica and the Government of Nicaragua.

It will be seen, then, that no one has been of the opinion that customary limitations in the conclusion of international arbitral conventions were retained in negotiating these memorable conventions—pacts that consecrated obligatory judicial arbitration in form more ample and unrestricted than any heretofore adopted in the history of the world.

How, therefore, can the Government of Nicaragua demand the exclusion from the cognizance of the Court of questions that affect sovereignty or that arise on a state of facts antedating the conclusion of the Treaties of Washington? The Treaties of Washington are not impressed with those limitations either expressly or tacitly; and hence they cannot be justly relied on in support of statements manifestly contrary to the clear, precise and conclusive text of those pacts.

The Government of Nicaragua, with no basis in justice, affirms that the Court

has reviewed or attempted to review an arbitral award accepted in its entirety by the parties, thus seeking to revive questions that have stood definitively decided for a long time past. This is apparent in the last decision, in which it is sought to revive the old question of boundaries, by interpreting the Cleveland Award in order to establish contrarily to the clear text of that award, a coproprietorship or coownership by the two countries over Salinas and San Juan del Norte Bays that never existed.

It must be remembered right here, however, that the complaint of which the Court took cognizance had for its sole ground the conclusion by the Nicaraguan Government of a treaty for an interoceanic canal across its territory without first consulting the Government of Costa Rica, and that treaty was signed in 1915, that is eight years after the conclusion of the Treaties of Washington. If in the general consideration of that ground of complaint, and in fulfillment of its unavoidable duty, the Court inquired into the spirit and scope of the Cañas-Jerez Treaty which, incidentally, was held to be valid in all its parts and made clear by the Cleveland Award—both being documents invoked by the complainant as proof of the rights set up by that party—such action signifies nothing more than the exercise of a judicial function properly pertaining to the Court; for, those documents being, as they are, impressed with the character of laws of the land regulative of the juridical relations between Costa Rica and Nicaragua, it was the Court's unavoidable duty to rely on them justly to the point at issue.

Thus, in affirming the existence of the juridical fact relating to the community of interest of the high parties litigant in Salinas and San Juan del Norte bays, nothing new was declared, nor any fact established that was contrary to the terms of the documents cited; what the Court did was to apply the clear and positive letter of the Cañas-Jerez Treaty, Article 4 of which reads:

The Bay of San Juan del Norte and the Bay of Salinas shall be common to the two Republics as also the advantages and the obligation to join in their defense.

When in its decision the Court stated the legal relation existing between Costa Rica and Nicaragua growing out of the article above quoted, and framed its statement in doctrinary form in order to deduce its conclusions, it did not review any award with the purpose of reviving boundary questions already decided, nor did it make any declaration contrary to the arbitral award referred to; the Court merely proceeded in the usual course of ordinary judges who neither make or revise the laws, but who interpret them in order to apply them to concrete cases brought before them.

If on this point—which is essentially of secondary importance and does not go to the roots of the cause—the Government of Nicaragua maintains a different criterion, it should have presented its allegations and proofs, for it has had abundant time and opportunity in which to do so. But having failed to present its case, its censures upon the Court's action, which gives full faith and credit to the positive stipulations of two international agreements that are acknowledged by both parties litigant to have perfect legal existence, must be held to be wholly without effect.

With respect to the argument that, concerning the question decided, the Costa Rican Government did not fulfill, previously to the presentation of its complaint, the essential requirement to take steps through diplomatic channels looking to a settlement of the dispute, and that, therefore, the Court did not acquire the necessary competency to take jurisdiction of the case, the Court has demonstrated with elaborate reasoning in its decision that the Nicaraguan Government, in setting up the omission above mentioned, relied solely on an error in wording. And in demonstrating in its decision, that the requirement cited had in fact been fulfilled, the Court acted upon facts thoroughly well substantiated and not arbitrarily and capriciously as affirmed by the Government of Nicaragua; the Court's judgment on the facts so proved was reached through a course of rigorously logical and systematic consideration thereof, wherein they were given the due weight and careful thought called for in Article XXI of its organic convention, which article provided that in deciding points of fact that may be raised before it, the Central American Court of Justice shall be governed by its free judgment.

There are, however, certain other considerations of special importance on this point that should be discussed. The Nicaraguan Government has claimed that the Government of Costa Rica should have again initiated steps through diplomatic channels, before having presented its complaint to the Court, in view of the fact that the steps theretofore taken, in 1913 by that Government related to the Chamorro-Weitzel treaty that never went into effect. The Nicaragua Government thus evades the positive and indisputable fact that that pact and the one that gave rise to the complaint are at bottom one and the same agreement and as such, are impugned by Costa Rica on the authority of the Cañas-Jerez treaty. Nicaragua also forgets that the abandonment of the Chamorro-Weitzel treaty was not due to Nicaragua's lending herself to an effort towards the settlement through diplomatic channels undertaken in that year by Costa Rica; and she dodges the fact that she herself closed the road to any subsequent diplomatic settlement by her positive declarations that she could not reveal the terms of the canal treaty and that in negotiating the earlier pact she was proceeding in the exercise of her unquestionable sovereignty.

And persisting in the same reserve respecting the negotiation and terms of the Bryan-Chamorro treaty to such point that the Costa Rican Government had no notice of it until it was wholly impossible to prevent its definitive consummation, any further efforts towards direct settlement would have been useless, besides being unbecoming on the part of a Republic that had been so emphatically and positively repulsed in the efforts it put forth to be recognized as an interested party in the transaction.

That being the case, and the Costa Rican Government not having ceased to oppose the conclusion of the canal treaty in quarters where its efforts had not been repulsed, it is illogical to claim—as the Nicaraguan Government has claimed—that the Costa Rican Government, by not pursuing its steps towards direct settlement, initiated in 1913, must be held to have withdrawn its opposition.

The Court, which, according to the convention that gave it life, represents the conscience of Central America, believes that it has acted in strict justice in holding concretely that the negotiations of 1913 and 1915 entered into by Nicaragua respecting an interoceanic canal (one broken off and the other consummated) are two steps of a single transaction that is impugned by Costa Rica, and that, consequently, the diplomatic moves towards a settlement ini-

tiated in 1913, for the breaking off of which she was in no way to blame, had the desired effect, with respect to the Bryan-Chamorro treaty, in giving to the Court the competency indispensable to the cognizance of the cause when the controversy was brought before it.

The contradiction which the Nicaraguan Foreign Office believes to have found between the act of May 1 that admitted the complaint of Costa Rica and that of September 6 that admitted the complaint of El Salvador, is only seeming contradiction, for the Foreign Office, for the purpose of demonstrating its assertion, reproduces only the citation of an interpretation made by the Court in 1908 in deciding the complaint of Honduras, and omits the reasons assigned in the preamble to which it pertains.

The citation had for its object to show that, according to the precedent adopted by the Court in 1908, and according to provisions of the Rules of Court and Ordinance of Procedure that interpret and make applicable Article I of the Convention, the Court must

judge in each case that comes before it whether the complainant state has or has not taken steps through diplomatic channels, since it is not possible to apply a fixed and inflexible criterion in all classes of matters.

The citation was also intended to show that Article I of the Convention does not establish the unalterable condition that steps of the kind mentioned must be undertaken and exhausted; but this must not be taken as indicating that the Court holds in the case of Costa Rica's complaint that such steps were not necessary, for the case there presented was not one of "war declared or in operation," such as provided for in Article 17 of the Rules and 6 of the Ordinance.

The principal ground on which rested the admission of Costa Rica's complaint, according to the act of May 1, is to be found in the preamble, paragraph 4, which reads as follows:

That with reference to the requirement that the State must resort to diplomatic parleys or discussions, as prerequisites to judicial action, to the end that an amicable settlement may be reached, the Court finds, from the facts so far presented, that the requirement has been fulfilled,

And the Court thereupon proceeded forthwith to set forth its reasons for that declaration.

The act of September 6 that admitted the complaint of El Salvador, says in substance:

That Clause I of the Convention fixes the jurisdiction and competency of the Court with no other limitation than that the Foreign Offices of the Governments in controversy must have failed to reach a settlement; and that from the clear and positive reasons set forth in the conclusion of the Nicaraguan Foreign Office's answer to that of El Salvador, it deduces the fact that such settlement was impossible; therefore there can be no doubt that the complaint lies within the jurisdiction and competency of the Court.

What, then, is the basis for the contradiction imputed to the Court by the Nicaraguan Foreign Office when it says that

the Court under the pretext of that pretended unrestricted power, has not hesitated to make two diametrically opposite interpretations of Article I of the Convention referred to, in order to decide always against Nicaragua in cases of the same nature?

Furthermore, Article XXII of the Convention, so frequently mentioned here, confers on the Court the power to determine its own competency; and that power like a wall erected by the law about the parties that appear before the Court to prevent them from withdrawing themselves from the effects of its decisions—cannot be disputed by them, nor can they refuse to respect it without in fact being guilty of a default in the obligations contracted in the above-mentioned international pact.

The Nicaraguan delegates to the Conference of Washington, commenting on Article XXII above cited, make the following statements in the report to which reference has hereinbefore been made:

It might happen that one or more of the contending parties, not wishing to submit to the judgment of the Court a matter comprehended in the convention or not wishing to comply with the decision that might be rendered, would object to the competency of the tribunal to take cognizance of that matter, or would allege extra limitations of power. This contingency is made impossible by Article XXII which gives the Court the power to decide as to its own competency, to interpret treaties and conventions pertinent to the matter in controversy and to apply the principles of international law. So that, when the Court shall have declared its competency the obligatory character of its decisions cannot be denied.

To claim that the Court, in rendering its decision in strict conformity with existing treaties and the principles of international law, has affronted Nicara-

gua is to make a statement that cannot be passed over unnoticed. That country, as is the case with the rest of Central America, constitutes a moral entity that impressed itself upon the respect and sympathy of this Court, the very life of which rests precisely in the noble hope that the countries that brought about its institution may live always in peace and harmony to the end that the ties of confraternity that unite them may be drawn tighter and that it may be possible in the future to see the five flags symbolizing our country and sovereignty combined in a single standard, as they were in an earlier day.

Any effort that might tend to widen the differences between those peoples would be far removed from a labor of patriotism. The peoples of Costa Rica and Nicaragua have not engaged in any controversy. It is merely that their respective Governments have set up a legal question which the Court is called upon to solve in honorable and just judgment. The vehemence, then, of the language used by his excellency the Minister of Foreign Relations of Nicaragua does not comport with his expressed aspirations for peace and concord, much less with the unavoidable duty that is imposed upon that Government to respect and abide by the decision of this Central American Court to which has been entrusted without reservation of any kind a high function of resolving the differences that arise with brother governments.

That decision must be complied with. The honor of Central America and the prestige of her institutions demand it. If compliance is withheld, this singular and unprecedented contumacy of the Nicaragua Government must lie as a pall upon the faith and confidence that have been heretofore the inspiration of our public treaties. The justices of this Court are at peace in their own minds. They have fulfilled their duty and now trust that your excellency will acknowledge the rectitude of their act; and as a recompense for having lost the confidence of his excellency the Nicaraguan Minister of Foreign Relations, they hope to continue in the enjoyment of the Central American national esteem.

The Court is loath to close this brief statement without an expression of regret that the Government of Nicaragua should have made the charge—wholly destitute of truth though it be—that it urged in vain upon the Court the fulfillment of its international obligations born of the Treaties of Washington; for this office has never received a complaint of any kind relating "to the undue aggressions or intrusions of those who have benefited by its policy." It is interesting to note that the Government of Nicaragua has never brought before the Court any action based upon the violations to which it alludes and as to which the Court has never had the remotest notice. It would seem that the other Central American Governments are called upon to defend themselves against that charge; the Court, on its part, is wholly without the means to pass upon it outside of its judicial capacity.

The Court, Mr. Minister, rests in the hope that its austere conduct, in the face of such insensate attacks, will be justly judged by your illustrious Government, called upon, as it is, to lend the moral support bespoken on behalf of this tribunal by Article XXV of the Convention.

Assuring [etc.]

MANUEL ECHEVERRIA

Availing myself of this opportunity [etc.]

MANUEL ECHEVERRIA,
Secretary

FINANCIAL AFFAIRS

File No. 817.51/797

The Financial Agent of Nicaragua to the Secretary of State

[Translation]

LEGATION OF NICARAGUA,
Washington, D. C., July 17, 1916.

YOUR EXCELLENCY: I regret that I have to trouble Your Excellency upon a matter of so particular an interest to the Republic of Nicaragua that only the legal antecedent and the kindly interest shown by the American Government in the reconstruction of my

country constitute an excuse for presenting it for your consideration. This matter is the more troublesome, inasmuch as the unfortunate economic condition of my country makes the problem almost impossible of solution, because due to the kindly interest which I have mentioned it is imposed upon the Department of State for its necessary collaboration in the distribution of the three million dollars which Nicaragua is to receive by virtue of the Canal Convention entered into between the United States of America and Nicaragua, in the exchange of the ratifications of which I have had the honor to serve.

There is in the Department of State a complete record of the amount of the debt of the Republic of Nicaragua, payment of which should long ago have been made, and which has occasioned the different claims and demands not unknown to Your Excellency. Among these there are certain ones which have titles which might be called binding and guaranteed by the good faith of the Republic to receive preferential treatment in payments from the proceeds of the convention. These contracts, which were sent in due course to your Department for Your Excellency's information are as follows:

a. One with Messrs. Brown Brothers & Co. and J. W. Seligman and Company of New York, which binds Nicaragua to pay to the parties mentioned one million dollars which they loaned to us, together with the interest thereon up to the date of its payment.

b. Another with the Ethelburga Syndicate, of London, for the payment of interests and sinking fund on the loan of £1,200,000 due it from the Republic of Nicaragua, for one and one-half years it has failed to pay.

c. Another with the National Bank of Nicaragua, for advances of money made to the Nicaraguan Government, which with interest amounts to about \$90,000, and lastly

d. Another with Messrs. Amsinck and Co. of New York, our agents in that city, for advances of money, merchandise and provisions to the Republic for a period since terminated, amounting to \$282,164.71.

The honor of the Republic of Nicaragua and the best interests of her future are pledged to the carrying out of these contracts, in justification of which your excellency will permit me to present the excellent reasons which actuated the Government in effecting them.

CONTRACT WITH BROWN BROTHERS AND SELIGMAN

The initial loan contract with the bankers in New York was for a million dollars for the term of one year. This very short period was accepted by Nicaragua only because at that time it believed that the Canal Convention would already have received the approval of the Senate of the United States, so that it may be said that the loan, for the contracting parties, was just an advance made by the bankers, with the approbation of the State Department, on the proceeds which it was expected would be received from the convention, to relieve the pressing needs of Nicaragua. At the termination of the period of one year when it was found to be impossible to pay off this loan, the bankers, relying always upon the approval of the convention by the Senate of the United States, granted us another term, which has been renewed when it has been necessary.

I would present to your attention the fact that in all of these contracts which have arisen from our failure to pay, the circum-

stance of binding them to the three million dollars of the convention makes manifest what I have before stated to your excellency that the bankers effected this negotiation having in mind this special revenue which the Republic was expecting. The Government of Nicaragua, therefore, believes itself obliged to make this payment in its entirety, and preferentially, in view of the legal rights which have been mentioned. Your excellency knows perfectly how important it is for a country to preserve intact its credit and those commercial relations which may thereafter prove useful. In paying the bankers it cannot be said that Nicaragua casts away her financial power in which she appreciates the amount which is paid, because upon effecting this she will be in even better position to obtain the same amount, or even more, on better conditions, either with these same concerns or with those others who understand our methods of procedure; because it must be borne in mind that, in effecting this payment, the Republic is freed from the collateral guarantees now held by the bankers.

CONTRACT WITH THE ETHELBURGA SYNDICATE

The reasons which existed for making this contract are obvious and convincing. The Ethelburga loan is guaranteed by a first lien on the customs revenues, the principal source of revenues upon which the Government is maintained. At the outbreak of the war in Europe, the customs receipts having diminished to an extent which made it impossible to pay the interests and sinking fund of that loan, the Government asked the Ethelburga Syndicate to suspend the payment binding itself to effect such payment from any special revenue which the Republic might have, making special mention of the three million dollars expected from the Canal Convention. The customs houses of Nicaragua are in the possession of a General Receiver, appointed by the Government of Nicaragua and designated by the Secretary of State of the United States, with the object of guaranteeing a better compliance in the payment of the loan of this syndicate. So that if there had not been this contract the Receiver General would have been obliged to retain these funds for the Syndicate mentioned, leaving the Republic in a difficult and precarious situation. This contract was therefore of an urgent and unavoidable character and so must also be its conclusion.

CONTRACT WITH THE NATIONAL BANK

The National Bank is an institution which has only a capital of \$300,000, and it was created for the purpose of extending our commerce and bettering its conditions in the country. One of its struggles has been to lower the rate of interest which, previous to the establishment of the bank, reached 18% and 25% in Nicaragua. In order that it may be in a position to better effect its mission and to do yet more than it has done, the Government is obligated not to keep back funds which it can return and which would increase productive measures to the reach of private persons. To obtain the full meaning of this it is necessary to realize that if this debt is not paid

the Government will retain almost one-third of the capital of the bank with manifest injury to the agriculture and commerce of the country, those productive sources of prosperity.

CONTRACT WITH MESSRS. AMSINCK

It may be said that the account with Messrs Amsinck of New York is an account current, of constant renovation. As I stated in the beginning, they are our agents who constantly furnish us the merchandise of all kinds indispensable in the daily administrative course of the Republic. On account of the war in Europe and of the diminished condition of our revenues we have not been able to make the payments when due and we were obliged to make this contract in order not to lose the commercial relations which are so important and so necessary for the economic life of the Republic, and therefore we cannot leave unheeded this obligation.

After these payments have been made, for which the honor and good faith of the Republic are pledged, and the completion of which will be of such excellent result for the future of the Republic, there will remain in the neighborhood of one million dollars from the three million comprehended by the Canal Convention. The Government believes that with this money and an issue of bonds, payable from resources which will be designated in due course, it can cancel the rest of the debt of a preferred character, for the determination of which it will with pleasure hear the suggestions which the Department of State may wish to make.

Assuredly the Republic, after the receipt of the three millions of the Canal Convention, whatever be the manner of its distribution, will have benefited to this amount its economic condition and its beneficial effect will be felt as much in the sphere of private life as in the increased revenues of the Government. This, together with the fact that there will remain in the possession of the Government those guaranties free from the hands of the bankers, that is, 49% of the stock of the Ferrocarril Pacifico, which is at present valued at \$3,604,640.00, and the 49% of the National Bank which are worth to the Republic \$147,000 place the Government in a position to advantageously negotiate in the near future a loan, which, at the present time, in view of existing circumstances, equally those of the outside world as of our own individual case, it would be impossible to obtain; besides which it is unnecessary to anticipate the advantages which the three million of the Canal Convention are called upon to produce in the country. To desire renovations or obtain loans at this time when the country finds itself hemmed in by so many economic difficulties, would be to subject ourselves to depressing conditions with no benefit whatever for the Republic.

As the principal contracts are due since the last of June, just past, giving us the right to freely dispose of the customs receipts, these since that date have been retained by the Receiver General of Customs for delivery of them upon requisition of the bankers, either for the Ethelburga or for themselves, whichever has the right. Without these receipts my Government is passing through a precarious situation, which places in danger the normal life of the Republic, by reason of which I have been given instructions to address your ex-

cellency, in order that, appealing to your well-known benevolence, you may if you so desire give the preferred creditors of whom I have spoken, as soon as possible, the assurances of payment, in order that they may leave free our Customs Houses and permit the Administration to meet its normal expenses.

I avail [etc.]

JOAQUIN CUADRA Z.

File No. 817.51/796

*Brown Brothers & Co., and J. & W. Seligman & Co. to the
Secretary of State*

NEW YORK CITY, July 17, 1916.

DEAR SIR: We are in receipt of the following letter from Colonel Clifford D. Ham, Collector General of Customs of Nicaragua:

WASHINGTON, D. C., July 10, 1916.

GENTLEMEN: The Financial Agent of Nicaragua, Mr. P. R. Cuadra, has received the following cablegram (translated) from the Minister of Finance of Nicaragua, which he has communicated to me to transmit to you:

Urge the conclusion of an arrangement to dispose of the customs collections and to notify the Collector General of Customs.

It is understood from this that the Acting Collector General of Customs in charge has notified the Government that in accordance with the contract, he must send a payment of \$31,500. from this month's collections to apply on the Ethelburga bonds, and also make a payment on the National Bank loan, unless he receives notice from you to the contrary. Will you kindly communicate direct with Mr. Lindberg regarding the matter and notify the Financial Agent.

Sincerely yours,

CLIFFORD D. HAM,
Collector General of Customs

The occasion for the above request is to be found in certain contracts or arrangements heretofore entered into by the Republic of Nicaragua with the Corporation of Foreign Bondholders, of London, the National Bank of Nicaragua, Inc., and the undersigned. Said contracts have all been filed with the Department of State; but, as a matter of convenience, we submit the following brief outline:

CONTRACTS AND ARRANGEMENTS REGARDING THE 1909 (ETHELBURGA) BONDS

By agreement dated May 25, 1912, with The Corporation of Foreign Bondholders, of London, the Republic of Nicaragua recognized the validity of these bonds and agreed that the customs revenues which had been pledged for their payment should be collected by a Collector General of Customs approved by the Secretary of State of the United States and appointed by the Republic. It was also provided that the Collector General of Customs should remit monthly to New York, or Europe, the amount required to meet the interest and sinking fund charges on the bonds, which amount was calculated at about \$31,500 per month.

The above arrangement continued in force until the outbreak of the European war. The effect of that war upon the revenues of Nicaragua, however, led the Nicaraguan Government to request

a temporary modification of the plan. The proposition made by the Republic was as follows:

The operation of the first paragraph of Section (2) of Article Fourth of the agreement of May 25, 1912, between the Republic and said corporation, shall be suspended for a period of four (4) months, to wit, from October 1, 1914, to February 1, 1915, and during such period of suspension the Collector General of Customs shall pay over to the Republic, freed from the lien created by said agreement of May 25, 1912, all moneys which would otherwise be applicable to the payment of interest and sinking fund upon the 1909 bonds of the Republic;

The interest and sinking fund payable January 1, 1915, upon said bonds shall be extended for one year, to January 1, 1916, and the interest coupon maturing January 1, 1915, shall bear interest at the rate of six per cent. per annum, and shall be paid on January 1, 1916, with said interest at six per cent., at the same time as the interest coupon maturing on said latter date;

Said paragraph of Section (2) of Article Fourth of said agreement shall again become operative on February 1, 1915, from which date the Collector General of Customs shall continue to deal with the customs collections as in said agreement provided;

The monthly remittances for the purpose of meeting the half-yearly payment of interest and sinking fund to become due on July 1, 1915, shall be made by the Collector General of Customs during the four (4) months from February 1, 1915, in the manner provided in said Section (2) of Article Fourth;

The amounts heretofore remitted by the Collector General of Customs to the bankers for the purpose of meeting the interest and sinking fund to become due on January 1, 1915, shall be held by the bankers and in due course remitted to the bank or banks in Europe charged with the service of the debt, so that said sums may be available for the purpose of making such payment on January 1, 1916; and the Collector General of Customs, during the ten (10) months beginning with the month of February, 1915, and concluding with the month of November, 1915, shall every month remit to the bankers in New York or to the bank or banks in Europe charged with the service of the debt, such further sums as may be necessary to complete the amount required to meet the payment thus to be made on January 1, 1916;

In case the Republic shall at any time before January 1, 1915, become entitled to receive from the United States the sum of three million dollars (\$3,000,000) or any other sum, under the terms of the convention herein-after mentioned between the Republic and the United States, the first paragraph of Section 2 of Article Fourth of the agreement of May 25, 1912, shall immediately again become operative, the Collector General of Customs shall resume his monthly remittances for the service of the loan, and the extension of one (1) year for the payment of the interest and sinking fund January 1, 1915, shall not become effective. In case the Republic shall become entitled to receive said sum from the United States at any time after January 1, 1915, and before January 1, 1916, the interest coupon above mentioned, due January 1, 1915, with interest thereon, and the sinking fund maturing on that date, shall, notwithstanding the extensions hereinbefore mentioned, immediately become due, and shall be paid out of the moneys which the Republic may thus be entitled to receive from the United States; and the Republic hereby authorizes and requests the Government of the United States, in the contingency above mentioned, to pay for account of the Republic to the bankers, out of such moneys, an amount sufficient to complete in the hands of the bankers the sum required for the purpose of paying said interest coupon, interest thereon and sinking fund; and to that end the Republic hereby assigns and transfers to the bankers the right to receive the moneys which the United States is thus authorized and requested to pay to them;

Except as thus specifically modified, the agreement of May 25, 1912, shall continue in full force and effect.

The above proposition was submitted to the Corporation of Foreign Bondholders, of London, and in answer that corporation

stated that in view of the exceptional circumstances it could not reasonably object to the Republic's proposal. The arrangement was submitted to the Secretary of State of the United States, who formally approved it on October 13, 1914, by letter hereinafter quoted; and, on December 2, 1914, the arrangement—with slight modifications—was continued in effect until July 1, 1915; and, on July 16, 1915, it was again—with slight modifications—renewed until July 1, 1916.

All of these extensions having now terminated, it once more becomes the duty of the Collector General of Customs to make monthly remittances for the service of the debt unless some new arrangement can be made with The Corporation of Foreign Bondholders, of London.

CONTRACTS REGARDING THE NATIONAL BANK OF NICARAGUA, INC.

On December 2, 1914, the bank agreed to extend for four months various loans theretofore made by it to the Republic, which loans were secured by liens upon the customs duties and covered by drafts or orders in favor of the bank theretofore issued by the Minister of Finance of the Republic on the Collector General of Customs and by him accepted. On February 11, 1915, the above loans were further extended for a period of five months.

On July 16, 1915, the bank granted a further extension, of six months and, as one of the considerations for such extension, the Republic and the bank agreed as follows:

In case the Convention entered into on August 5, 1914, between the United States of America and the Republic of Nicaragua shall be ratified by the Senate of the United States and by the Republic, and the Republic shall under the terms of said convention be or become entitled to receive from the United States at any time the sum of Three Million Dollars (\$3,000,000) mentioned in said convention, or any other sum, then and in that event, whether the extensions hereinbefore granted shall then have expired or not, the loans hereinbefore mentioned, if still unpaid, with interest thereon as herein provided, shall be immediately paid out of the moneys which the Republic may thus be entitled to receive; and the Republic hereby authorizes and requests the Government of the United States in the contingency above mentioned, to pay for account of the Republic, out of such moneys, to the bank, an amount sufficient to pay the said loans and interest; and to that end the Republic hereby assigns and transfers to the bank the right to receive the moneys which the United States is thus authorized and requested to pay to it.

On January 5, 1916, the bank granted a further extension of six months.

All of the above extensions have now expired and unless some new arrangement be made with the bank it will become the duty of the Collector of Customs to pay the drafts above mentioned.

CONTRACTS AND AGREEMENTS REGARDING LOANS MADE BY MESSRS. BROWN BROTHERS & COMPANY AND J. & W. SELIGMAN & COMPANY

Under date of October 1, 1913, the Republic of Nicaragua issued, and the undersigned purchased, Treasury Bills representing an aggregate principal amount of \$1,060,000. These bills matured on October 1, 1914. In view of the European war and of the effects which that war had upon the finances of Nicaragua, the undersigned, on December 2, 1914, extended the bills to February 1, 1915.

and waived their claim to the customs to be collected during such extension. As part of the contract then made, the following agreements were entered into:

Section 5. In case the convention above mentioned between the United States and the Republic shall be ratified by the Senate of the United States and by the Republic, and ratifications exchanged at any time prior to February 1, 1915, said Treasury Bills shall thereupon become due and payable, with interest at six per cent (6%) per annum from October 1, 1914, notwithstanding the extensions hereinbefore granted.

Section 6. If, under the terms of the convention above mentioned the Republic shall be or become entitled to receive from the United States at any time the sum of three million dollars (\$3,000,000) mentioned in said convention, or any other sum, and shall not elect to exercise the option granted in Article Second hereof for the purchase of 51% of the shares of Ferrocarril del Pacifico de Nicaragua, then and in that case all Treasury Bills which may then be outstanding, together with interest thereon, and any sums due to the bankers for account of expenses, shall be immediately paid out of the moneys which the Republic may thus be entitled to receive; and the Republic hereby authorizes and requests the Government of the United States, in the contingency above mentioned, to pay for account of the Republic, out of such moneys, to the bankers an amount sufficient to pay the principal and interest of such outstanding unpaid Treasury Bills and the amount of such expenses; and to that end the Republic hereby assigns and transfers to the bankers the right to receive the moneys which the United States is thus authorized and requested to pay to them.

The option above referred to expired long since and has, therefore, no bearing on the present situation.

The agreement of December 2, 1914, which contained the above provisions and which also had incorporated into it the arrangement with The Corporation of Foreign Bondholders, of London, was negotiated largely through the good offices of Secretary of State Bryan, was submitted to and discussed with him in a letter dated October 13, 1914, of which the following is a copy:

DEPARTMENT OF STATE,
Washington, October 13, 1914.

The Secretary of State to Brown Brothers & Co. and J. & W. Seligman and Co.

GENTLEMEN: I have examined the draft of the proposed agreement between The Bankers and the Government of Nicaragua, as modified or amended to meet certain suggestions made by me, and, as the agreement appears not to contravene any provision of the Convention entered into between the Governments of Nicaragua and the United States on the sixth day of June, 1911, I have concluded that, considering all the circumstances of the situation and particularly the present financial needs of the Government of Nicaragua, the agreement should meet with acquiescence on the part of the Department, and I, accordingly, advise you of my approval of it.

I am [etc.]

W. J. BRYAN

On February 11, 1915, the Treasury Bills were again extended to July 1, 1915, the Republic at that time reaffirming the provisions contained in the December 2, 1914, contract approved by Secretary Bryan regarding the payment to be made out of the \$3,000,000. mentioned in the Convention of August 5, 1914. Similar extensions and ratifications were executed on July 16, 1915, and on January 5, 1916, the final extension having expired on July 1st of this year.

The Convention of August 5, 1914, between the United States and Nicaragua, having now been ratified and ratifications having been exchanged, the only thing which remains to be done is for Congress to appropriate the \$3,000,000. which Nicaragua is to receive. We assume that this appropriation will be made in the near

future and do not doubt that, in accordance with the contracts above mentioned and the formal approval of certain of those contracts above mentioned by Secretary of State Bryan, the United States will at once pay the amounts respectively due to The Corporation of Foreign Bondholders, of London, to the National Bank of Nicaragua, Inc., and to the undersigned.

As bankers and friends of Nicaragua we have always heretofore been ready to lend our assistance and good offices to obtain from the Corporation of Foreign Bondholders, of London, reasonable arrangements for the postponement of payments out of customs revenues, and we are prepared to do the same thing again.

We do not for one moment doubt that the approval given by your predecessor to the agreement of December 2, 1914, will be recognized and made effective by the Department, and we should not consider it necessary to even refer to the subject at this time were it not for a certain misapprehension which has apparently existed in the minds of some of the Department officials with reference to the letter of Secretary Bryan above quoted. Apparently that letter had not been brought to the attention of the officials referred to until very recently and hence, they were not sufficiently advised as to the existing situation. Now that the matter has been made clear we shall be glad to approach The Corporation of Foreign Bondholders, of London, on behalf of Nicaragua, with a view of obtaining some further temporary extension of our own Treasury Bills and of the bank loans, pending the payment of the treaty money; before proceeding with such negotiations, we shall be glad to have from you a confirmation of our understanding as to the payments which are to be made out of the \$3,000,000. which Nicaragua is to receive under the convention.

Very respectfully yours,

BROWN BROTHERS & Co.
J. W. SELIGMAN & Co.

File No. 817.51/806a

The Secretary of State to Minister Jefferson

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, August 10, 1916, 4 p. m.

Nicaraguan Chargé d'Affaires and bankers urge upon Department payment from treaty proceeds of entire principal and interest bankers and National Bank loans and accumulated interest Ethelburga loan under extension agreement December 2, 1914. Chargé also insists on payment account of Amsinck with whom Nicaraguan financial agent contracted for full payment from canal funds of accounts due and upon which pledge Amsinck returned personal securities given by President Diaz. Upon presentation to Department of this agreement, agent was informed that Department regarded as premature any consideration of disposition of treaty funds prior to exchange of ratifications.

Appropriation not yet made by Congress.

Chargé states that retention customs revenue seriously embarrasses Government. Cable concisely your opinion thereon.

LANSING

File No. 817.51/809

Minister Jefferson to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Managua, August 13, 1916, 11 a. m.

The Department's August 10, 4 p. m. I deem it inadvisable to make full payments from treaty proceeds to bankers and others, for example, the treasury bill principal and interest amount to \$1,210,413.70, the national bank rate loan principal and interest \$98,014.99. Ethelburga interest for two years \$756,000 and the Amsinck account, principal and interest to December 31, 1916, \$314,271.82. Should the above amounts be paid the money would go into the hands of a few, leaving but small amount to be applied to other outstanding debts and would cause a great disappointment to the people of Nicaragua.

I think best to pay mixed claims awards first and then *pro rata* payments and arrange with bankers for balance due them. Many of the accounts should be scaled down, the interest in many cases being exorbitant and unjust.

The question of the retention of customs revenues, other expenditures of money should be temporarily withheld.

JEFFERSON

File No. 817.51/821

The Secretary of State to the Financial Agent of Nicaragua

DEPARTMENT OF STATE,
Washington, August 31, 1916.

SIR: The Department has received your communication of August 15, 1916,¹ enclosing a copy of a contract concluded by you, under date of July 31, 1916, in behalf of the Republic of Nicaragua with Brown Brothers and Company and J. & W. Seligman and Company, and a copy of a contract of the same date concluded by you in behalf of the Government of Nicaragua with the National Bank of Nicaragua, Incorporated, both contracts relating to the adjustment of debts owing by the Nicaraguan Government to the other parties of these contracts out of funds which the Government of the United States is obligated to pay to the Government of Nicaragua under the terms of the recently ratified treaty relating to an inter-oceanic canal.

The Department has examined these contracts and deems it proper to inform you that it has instructed the American Minister at Managua to call the attention of the Nicaraguan Government to the fact that these contracts have been received by the Department, and to communicate further with the Nicaraguan Government in the sense of the following:—

By Article III of the Treaty it is provided that these funds are to be applied by Nicaragua upon its indebtedness or other public purposes for the advancement of the welfare of Nicaragua in a manner to be determined by the two High Contracting Parties.

¹ Not printed.

Obviously, therefore, no final nor definite action can properly be taken by the Government of the United States or by the Government of Nicaragua respecting the disposition of the funds, until an arrangement shall have been effected by the contracting parties as to the application thereof to one or both of the two general purposes designated in the treaty.

Under these circumstances the Department, in examining the contracts transmitted to it by Mr. Cuadra, regrets to observe that the Nicaraguan Government should undertake at this time to enter into negotiations with the above-mentioned parties respecting the payment to them of the funds in question, and it is surprised to find in the contract concluded with Brown Brothers and Company and J. and W. Seligman and Company the following provision:—

The Republic furthermore, as a condition hereof, hereby agrees that it will not consent to any disbursement or distribution of the moneys which it has become entitled to receive from the United States under the Convention of August 5, 1914, in conflict with the provisions of this agreement or which may deprive the Bankers of any of the rights secured to them hereunder and under the earlier agreements hereinbefore mentioned.

The Government of Nicaragua, if it is to be considered as bound by this provision and by other provisions in the contract which appear to recognize the right of the bankers to be paid a specified amount out of the funds referred to in the Treaty, would appear to have placed itself in a position in which it will be unable to cooperate with the Government of the United States in carrying out the stipulations in Article III of the treaty just mentioned.

In effecting an arrangement with the Nicaraguan Government as to the disposition of the funds in question in the manner prescribed by the Treaty, it is the intention of this Government to exercise its best judgment in seeking to carry out the purposes of the Treaty with respect to the application of these funds on Nicaragua's indebtedness or for other public purposes. The Department therefore can take no cognizance of the above-mentioned contracts at this time further than to inform the Nicaraguan Government of its views respecting them as above briefly indicated and to request that the Government of the United States may receive from the Government of Nicaragua a statement regarding its action in relation to these contracts which appears to have been taken without proper regard for the stipulations of the recently ratified Treaty.

I am [etc.]

ROBERT LANSING

File No. 817.51/821

The Secretary of State to Minister Jefferson

[Telegram]

DEPARTMENT OF STATE,

Washington, September 1, 1916, 4 p. m.

Department desires you to transmit to Nicaraguan Government a note in the sense of the following:

Mr. Pedro Rafael Cuadra, financial agent of Nicaragua, has transmitted to the Department a copy of a contract concluded by him under date of July 31, 1916, in behalf of the Republic of Nicaragua,

with Brown Brothers and Company and J. and W. Seligman and Company, and a copy of a contract of the same date concluded by him in behalf of the Republic of Nicaragua with the National Bank of Nicaragua, Incorporated; both contracts relating to the adjustment of debts owing by the Nicaraguan Government to the other parties to these contracts out of funds which the Government of the United States is obligated to pay to the Government of Nicaragua under the terms of the recently ratified treaty relating to an interoceanic canal.

By Article III of the treaty it is provided that these funds are to be applied by Nicaragua upon its indebtedness or other public purposes for the advancement of the welfare of Nicaragua in a manner to be determined by the two High Contracting Parties. Obviously, therefore, no final nor definite action can properly be taken by the Government of the United States or by the Government of Nicaragua respecting the disposition of the funds until an arrangement shall have been effected by the contracting parties as to the application thereof to one or both of the two general purposes designated in the treaty.

Under these circumstances the Department, in examining the contracts transmitted to it by Mr. Cuadra, regrets to observe that the Nicaraguan Government should undertake at this time to enter into negotiations with the above-mentioned parties respecting the payment to them of the funds in question, and it is surprised to find in the contract concluded with Brown Brothers and Company and J. and W. Seligman and Company the following provision:

The Republic furthermore, as a condition hereof, hereby agrees that it will not consent to any disbursement or distribution of the moneys which it has become entitled to receive from the United States under the Convention of August 5, 1914, in conflict with the provisions of this agreement or which may deprive the Bankers of any of the rights secured to them hereunder and under the earlier agreements hereinbefore mentioned.

The Government of Nicaragua, if it is to be considered as bound by this provision and by other provisions in the contract which appear to recognize the right of the bankers to be paid a specified amount out of the funds referred to in the treaty, would appear to have placed itself in a position in which it will be unable to cooperate with the Government of the United States in carrying out the stipulations in Article III of the treaty just mentioned.

In effecting an arrangement with the Nicaraguan Government as to the disposition of the funds in question in the manner prescribed by the treaty, it is the intention of this Government to exercise its best judgment in seeking to carry out the purposes of the treaty with respect to the application of these funds on Nicaragua's indebtedness or for other public purposes. The Department therefore can take no cognizance of the above-mentioned contracts at this time further than to inform the Nicaraguan Government of its views respecting them as above briefly indicated and to request that the Government of the United States may receive from the Government of Nicaragua a statement regarding its action in relation to these contracts which appears to have been taken without proper regard for the stipulations of the recently ratified treaty.

LIANSING

File No. 817.51/835

The Acting Secretary of State to Minister Jefferson

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, October 20, 1916, 6 p. m.

Nicaraguan Chargé d'Affaires has twice been to Department and stated he has had instructions from his Government to discuss with Department the matter of payment from three million dollars canal fund of Ethelburga interest in order that customs receipts might go to the Government.

Cuadra represents economic situation Nicaragua as extremely serious on account of reduced customs receipts. He says that President Diaz is in favor of payment of interest from the three million.

Please cable your views as to this matter and any further suggestions you might be able to make in regard to relief of present situation.

POLK

File No. 817.51/846

*Minister Jefferson to the Secretary of State*AMERICAN LEGATION,
Managua, October 26, 1916.

SIR: I have the honor to report that, in compliance with Department's telegram of September 1, 1916, 4 p. m., stating that Mr. Pedro Rafael Cuadra, financial agent of Nicaragua, transmitted to the Department a copy of a contract concluded by him under date of July 31, 1916, in behalf of the Republic of Nicaragua with Brown Brothers and Company and J. and W. Seligman and Company, and a copy of a contract of the same date concluded by him in behalf of the Republic of Nicaragua with the National Bank Limited, etc., I addressed a note September 5, 1916, F. O. 155, to the Foreign Office quoting the full text of the telegram, copy of which I am herewith enclosing. Also I have the honor to enclose herewith the Minister's reply and its translation.

I have [etc.]

BENJAMIN L. JEFFERSON

[Inclosure 1]

Minister Jefferson to the Minister for Foreign Affairs

F. O. 155

AMERICAN LEGATION,
Managua, September 5, 1916.

EXCELLENCY: In obedience with instructions from the Secretary of State of the United States of America I have the honor to transmit to Your Excellency for the information of your Government the following.

[NOTE.—Here follows quotation of Department's telegram to Minister Jefferson of September 1, 1916, printed ante.]

I avail [etc.]

BENJAMIN L. JEFFERSON

[Inclosure 2—Translation]

*The Minister for Foreign Affairs to Minister Jefferson*NATIONAL PALACE,
Managua, September 30, 1916.

MR. MINISTER: In your official communication of the 5th of the present month, your excellency, in behalf of your Government is pleased to state: that Señor Pedro Rafael Cuadra, Financial Agent of Nicaragua, has forwarded to the Department of State of the United States corresponding copies of a contract made on the 31st of July, between the same Señor Cuadra and Messrs. Brown Brothers and Company and J. and W. Seligman and Company, and of another contract of the same date made between the same agent and the National Bank of Nicaragua, Limited; that both contracts refer to the settlement of the debts of the Nicaraguan Government with the aforesaid firms, counting on the funds, which according to the Treaty already ratified and relative to an interoceanic canal the United States Government is obliged to pay to that of Nicaragua; that pursuant to Article III of that Treaty no decision can be made by the Government of the United States or by that of Nicaragua in regard to the disbursement of the aforesaid funds, until both have agreed as to the use which will be made of them for one or both of the general purposes designated in the Treaty; that under such circumstances the Nicaraguan Government being unable to enter into negotiations with the firms, as to the payment which must be made to them, the Department has found it strange that in the contract made between Mr. Cuadra and Brown Brothers and Company and J. and W. Seligman and Company there should be the following clause:

The Republic, besides, as a prior condition, agrees in that it shall not consent to any disbursement or distribution of the money to be received from the United States, according to the treaty of August 5, 1914, in violation of the clauses of this agreement, or that would deprive the bankers of any of the rights herein stipulated or of those which have been granted to them in previous contracts and which have been mentioned in this agreement;

that, in accordance with that clause and others of the contract, the Nicaraguan Government would place itself in a position in which it would be unable to cooperate with the United States Government in compliance with Article III of the aforesaid Treaty; that it is the purpose of the United States Government to choose the most adequate means to fulfill the object of the Treaty in regard to the disbursement of funds destined to pay the debts of Nicaragua or for other public purposes, when the agreement to this effect may be made with the Nicaraguan Government; that, for such reasons, the Department cannot, at this moment, recognize the aforesaid contracts, unless it be to transmit to my Government its judgment upon them, and to express the desire of the Government of the United States to receive from that of Nicaragua a memorandum of its intentions in regard to such contracts, which seem to have been entered into without interpreting in a proper manner the stipulations of the Treaty lately ratified.

In regard to the said contracts and in reference to the observations contained in the note to which I am replying, I have the honor to state to your excellency that my Government will give, on its part, faithful compliance with the stipulations contained in the Treaty which has just been ratified, relative to an interoceanic canal, as they must be interpreted; and duly appreciates the good disposition which the United States Government has to choose the most adequate means to fulfill the object of the Treaty in regard to the disbursement of the funds which are to be applied to the payment of the nation's debts or to other public purposes, when the agreement between both Governments concerning this disbursement can be effected.

My Government expects, on these grounds, that from the previous agreement arrived at by the two contracting parties, as to the use of the funds proceeding from the aforesaid Treaty, there will be a conciliation of Messrs. Brown Brothers & Co.'s and J. & W. Seligman & Co.'s interests with those of the other creditors of the country and with the end in view for the progress and welfare of Nicaragua, as considered in Article III of the Treaty so many times mentioned.

In this manner I have received instructions to answer your excellency's note; and in so doing, I avail [etc.]

DIEGO M. CHAMORRO

File No. 817.51/840

The Secretary of State to the Financial Agent of Nicaragua

DEPARTMENT OF STATE,
Washington, November 11, 1916.

SIR: The Department has received your communication of October 30, 1916,¹ enclosing copies of the contracts concluded by you with Messrs. Brown Brothers and Company and J. and W. Seligman and Company, and with the National Bank of Nicaragua, under date of October 26, 1916, in behalf of the Government of Nicaragua, relative to the adjustment of debts owing by the Nicaraguan Government to the other parties to this contract out of funds which the United States Government is obligated to pay the Government of Nicaragua, under the terms of the treaty relating to the interoceanic canal.

The Department desires to inform you that it has examined these contracts and you are advised that its attitude towards them is the same as expressed to you in its communication of August 31, in relation to the former contracts signed by you on behalf of the Government of Nicaragua with Messrs. Brown Brothers and Company and J. and W. Seligman and Company and with the National Bank of Nicaragua, Incorporated.

The Department has instructed the American Minister at Managua to bring to the attention of the Nicaraguan Government the fact that these contracts have been received and again to express its regret that action looking to the disposition of the funds in question appears to have been taken by the Government of Nicaragua without proper regard for provisions contained in the recently ratified treaty.

The Department, therefore, can take no cognizance of the contracts transmitted with your letter under acknowledgment, other than to emphasize to the Government of Nicaragua the Department's views respecting contracts of this character and to request a prompt statement from the Nicaraguan Government in relation to them.

I am [etc.]

ROBERT LANSING

File No. 817.51/821

The Secretary of State to Minister Jefferson

[Telegram]

DEPARTMENT OF STATE,
Washington, November 13, 1916, 4 p. m.

Department's September 1, 4 p. m. Cuadra, financial agent Nicaragua, under date October 30, transmitted copies contracts concluded October 26 by him on behalf Nicaraguan Government with Brown Brothers and Seligman and National Bank, extending loans until December 31, and providing that loans and interest shall be paid out of moneys which Nicaragua will receive under the treaty.

You will bring this matter strongly to the attention of the Government of Nicaragua in the same terms as set forth in the last paragraph of the Department's telegram of September 1, 4 p. m. and emphasize the fact that the Government of the United States has not received from the Government of Nicaragua a statement regarding

¹ Not printed.

its action respecting the contract signed July 31, 1916, and therefore must request an immediate explanation of its action in regard to those contracts and also as to the contracts of October 26.

LANSING

File No. 817.51/847

Minister Jefferson to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Managua, November 21, 1916, 2 p. m.

Referring to the Department's November 13, 4 p. m. The Minister for Foreign Affairs today replied to my supplementary note in equal terms regarding the contracts signed by Mr. Cuadra October 26. Copy of the note will be mailed by first steamer.

In connection with the matter President Diaz requested me again to inform the Secretary of his urgent needs to meet Government expenses until January first. I would suggest that assistance be given him.

JEFFERSON

File No. 817.51/853

Minister Jefferson to the Secretary of State

[Extract]

No. 321

AMERICAN LEGATION,
Managua, November 22, 1916.

SIR: Referring to the Department's telegraphic instructions of November 13, 4 p. m. relative to Mr. Pedro Rafael Cuadra, financial agent of Nicaragua, who under date of October 30 transmitted copies of contracts concluded by him on behalf of the Nicaraguan Government with Brown Brothers and Seligman and the National Bank of Nicaragua, extending the loans until December 31 and providing that the loans and interest shall be paid out of the moneys which Nicaragua will receive under this and a similar contract concluded by him signed July 31, 1916, I have the honor to transmit herewith a copy of my supplementary note to the Minister for Foreign Affairs, F. O. No. 166, and a copy and translation of his reply thereto dated November 20, 1916.

I have [etc.]

BENJAMIN L. JEFFERSON

[Inclosure 1]

Minister Jefferson to the Minister for Foreign Affairs

No. 166

AMERICAN LEGATION,
Managua, November 15, 1916.

MR. MINISTER: Referring to my note F. O. 155, under date of September 5, 1916, and your excellency's reply thereto of September 30, 1916, which was only received October 23, 1916, I have the honor to further inform your excellency in connection with this matter that on account of the delay in this important matter reaching the Secretary of State and also during the interim

Mr. Cuadra, financial agent of Nicaragua, under date of October 30, 1916, having transmitted copies of contracts concluded by him October 26 on behalf of the Nicaraguan Government with Brown Brothers and Seligman and the National Bank, extending loans and interest which shall be paid out of the money which Nicaragua will receive under this, now therefore, pursuant to the Department's telegraphic instructions of November 13, 1916, 4 p. m. requesting me to again bring this matter to the attention of your excellency's Government in the same terms to contrast serious defect in the last paragraph [sic] of my communication to your excellency of September 5, 1916, which reads as follows:

In affecting an arrangement with the Nicaraguan Government, as to the disposition of the funds in question in the manner prescribed by the treaty, it is the intention of this Government to exercise its best judgment in seeking to carry the purposes of the treaty with respect to the application of these funds on Nicaragua's indebtedness or for other public purposes. Therefore the Department can take no cognizance of the above-mentioned contracts at this time, further than to inform the Nicaraguan Government of its views respecting them as above briefly indicated and to request that the Government of the United States may receive from the Government of Nicaragua a statement regarding its action in relation to these contracts which it appears to have taken without proper regard for the stipulations of the recently ratified treaty.

This further request is made in order that a full and complete explanation may be made of its action in regard to those contracts of July 31, and October 26, 1916, thus obviating unnecessary delay attendant upon this important matter.

Accept [etc.]

BENJAMIN L. JEFFERSON

[Inclosure 2—Translation]

The Minister for Foreign Affairs to Minister Jefferson

NATIONAL PALACE,
Managua, November 20, 1916.

MR. MINISTER: I have the honor to reply to your excellency's note of the 15th instant, relative to the same matter to which your former note of September 5 referred, which caused my reply of the 30th of the same month.

Your excellency is pleased to state in your note mentioned that, on October 30 last, Mr. Cuadra, financial agent of Nicaragua, transmitted to the Department of State of the United States copies of contracts concluded by the same Mr. Cuadra, in the name of my Government, with Brown Brothers & Seligman and the National Bank, in order to extend the time of the loans and interest, which will be paid out of the money which Nicaragua will receive. Therefore, your excellency, pursuant to telegraphic instructions from your Government, calls my attention to the matter in like terms to those of your former note, which you wrote requesting complete explanation of my Government in regard to the contracts of July 31 and October 26, already cited.

In my note of September 30 last, I had the honor to make the following declaration to your excellency:

In regard to the said contracts and in reference to the observations contained in the note to which I am replying, I have the honor to state to your excellency that my Government will give, on its part, faithful compliance with the stipulations contained in the Treaty which has just been ratified, relative to an interoceanic canal, as they must be interpreted; and duly appreciates the good disposition which the United States Government has to choose the most adequate means to fulfill the object of the Treaty in regard to the disbursement of the funds which are to be applied to the nation's debts or to other public purposes, when the agreement between both Governments concerning this disbursement can be effected. My Government expects, on these grounds, that from the previous agreement arrived at by the two contracting parties, as to the use of the funds proceeding from the aforesaid Treaty, there will be a conciliation of Messrs. Brown Brothers & Co.'s and J. & W. Seligman & Co.'s interests with those of the other creditors of the country and with the end in view for the progress and welfare of Nicaragua, as considered in Article III of the Treaty so many times mentioned.

To that categorical explanation, which I confirm in this note, I must add that, on October 21, I sent to the Legation of the Republic in Washington a communication setting forth in synthesis the correspondence with your excellency regarding the disbursement of the three millions stipulated in the Treaty which has just been ratified, and giving notice that they should abstain from all action in the matter, whose settlement the two contracting Governments would arrange, when the opportunity should arrive, conforming in all things to the stipulations of the convention.

My Government considered the instructions sufficient which were communicated to the Chargé d'Affaires of Nicaragua, deeming it unnecessary to state it in respect to the financial agent, because he has no diplomatic representation before the Department of State of the United States.

However, the orders have already been repeated by cable which directed the abstention from any act whatsoever which might not be in harmony with what was decided by my Government in order to give faithful compliance to what was established in the Treaty, and hereafter will not take any step which might appear in disagreement with what has been declared by this office.

In closing [etc.]

DIEGO M. CHAMORRO

File No. 817.51/847

The Secretary of State to Minister Jefferson

[Telegram]

DEPARTMENT OF STATE,

Washington, December 12, 1916, 4 p. m.

Your November 21, 2 p. m. Please cable how much is needed by President to meet expenses until January first. Also cable what in your opinion is lowest estimate of all external and internal Nicaragua debt.

LANSING

File No. 817.51/855

Minister Jefferson to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,

Managua, December 14, 1916, 2 p. m.

Department's December 12, 4 p. m. Fully discussed Nicaraguan economic situation with President Diaz. He informed me that since he would be President for only fifteen days more, he would prefer to let the entire matter go over until General Chamorro becomes President and have me make all necessary arrangements with him.

In going over the list of claims with the President, I called his attention to dire necessity of scrutinizing every claim and the great importance of ascertaining, before any final steps are taken for payment of internal or external debts, the validity of the claims. For instance, the claims of 1912 would easily stand a cut of fifty to sixty per cent. and many others in proportion. I suggested to him that the Secretary of State and the Minister of Finance make an offer of settlement in such a manner and I know the claimants would be glad to get their money. He agreed with me and also informed me that he would give me every assistance in his power to help bring about such an arrangement and if necessary he might remain here or go to Washington to aid the Legation in such a plan of settlement of Nicaragua's indebtedness.

My lowest estimate of Nicaragua's indebtedness is approximately, internal debt and interest, \$8,900,000, and external debt and interest, \$8,650,000 to December 31, 1916.

JEFFERSON

File No. 817.51/855

The Secretary of State to Minister Jefferson

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, December 22, 1916, 4 p. m.

Your December 14, 2 p. m.

1. Conference was held in Washington on December 18 between representatives of State Department and of bankers of Nicaragua under the auspices of the Pan American Permanent Nicaraguan Committee of the United States with Mr. W. L. Saunders as chairman, looking toward a satisfactory settlement of Nicaragua's financial situation.

As a result of the conference the Department expressed itself as not being opposed to the performance of Nicaragua's contract with Ethelburga and that Ethelburga's interest and sinking fund up to January 1, 1917, should be paid out of the Canal fund, thereby releasing funds held by collector of customs and allowing Nicaragua to receive that part of the customs receipts which have been held for Ethelburga.

The Department is endeavoring to arrange postponement for three years of future interest and sinking fund payment in order to release further funds. These funds should meet pressing needs of Nicaraguan Government and enable Chamorro to enter upon his term of office with a fairly clean slate.

2. The Department has also given its consent to the practical performance of the bankers' wishes based on their contract of December 2, 1914, by means of a general arrangement to include the settlement of all of Nicaragua's indebtedness to the satisfaction of all concerned as far as possible.

The final sense of the conference was as follows: That the arrears of the Ethelburga debt should be paid out of the Canal fund as soon as possible; that the claims adjudicated by the Mixed Commission and all domestic and foreign claims against the Government should be investigated by a commission, consisting of two Americans and one Nicaraguan, and scaled down as far as possible; and that upon the results of this investigation combined with the already ascertained amounts of the foreign debts, as a basis of liquidation, the whole Nicaraguan debt should be practically refunded by an arrangement involving the assistance of the bankers and the issue of bonds secured by a second lien on the customs, and a first lien on 49% of the stock of the railroad and National Bank, and the payment of claims by the delivery of such bonds where possible.

Department also considers it imperative that legislative decree be issued immediately forming commission to study conditions of indebtedness and ample scope must be given commission to compel disclosure of facts and give all facilities to ample investigation.

LIANSING

File No. 817.51/861

Minister Jefferson to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Managua, December 31, 1916, 3 p. m.

Department's December 22, 4 p. m. Referring to the conference held in Washington, I deemed it advisable to first discuss the propositions outlined therein with President Diaz, General Chamorro and the incoming Minister of Finance, Mr. Benard. I requested Chamorro to make me memoranda of the amount which he considered necessary for running expenses. He will furnish this later. He wished me to know that he would enter office without a cent and would therefore need financial aid.

As a result of our several conferences they all wished the Department to bear in mind that they desired some plan whereby the whole indebtedness of Nicaragua might be arranged. They desire to ascertain, before presenting to Congress a bill appointing a fiscal agent with power to act, as to what assistance will be extended by the bankers, how much cash and how much in bonds.

Following are the propositions made by General Chamorro, Mr. Benard and President Diaz:

The Government will pay to the bankers from the treaty money following sums: Interest and sinking fund Ethelburga to January 1, 1917, \$756,000; interest to the same date due bankers on the one million dollars, \$210,413.70; and the debt of the National Bank \$98,014. In return the Nicaraguan Government proposes to give bankers a guaranty on forty-nine per cent of the bank and railroad stock, amortization of the million dollars, in monthly payments of \$9,000 for a period of 3 years which service will be placed in charge of the Collector General of Customs. Also the Government will receive the \$240,000 which has accumulated since last July and is now being held by the Collector of Customs. Also the National Bank will deliver to the Government the products of the tax money which is being held by the bank for the interest of the emission of the emergency debt.

The Government will organize a commission for the purpose of scaling down as much as possible the debts already recognized by it including Emery claim. Said commission will be composed of Minister of Finance or some one he may designate and an American, preferably Lindberg, or some one that the American Government may designate. President Diaz refused to act stating that his services would be more valuable outside of the commission. In case the commission disagree in resolving amounts of claims the Secretary of State will be authorized to arbitrate the differences or he may designate some one to act as his representative in the final settlement of the matter.

General Chamorro's purpose is to keep this matter as much as possible in the hands of the Secretary of State and his own. He desires to get prompt action and save all expense possible since a great deal of complaint has been made already here on account of high salaried officials in Government office, principally Americans.

JEFFERSON

PANAMA.

ARBITRATION OF CLAIMS OF AMERICAN CITIZENS AGAINST PANAMA ON ACCOUNT OF INJURIES SUSTAINED DURING THE RIOT AT PANAMA CITY ON JULY 4, 1912¹

File No. 419.11D29/146

The Minister of the Netherlands to the Secretary of State

[Translation]

No. 4663

LEGATION OF THE NETHERLANDS,
Washington, October 20, 1916.

SIR: Referring to your note of September 25, 1916,² the last on the subject, I have the honor to forward herewith to your excellency my award determining the amount due by the Panaman Government to the American victims of the riot, which took place in the city of Panama on July 4, 1912.

Be pleased [etc.]

W. L. F. C. DE RAPPAUD

[Inclosure—Translation]

Under the terms of the Protocol signed at Panama on November 27, 1915, by which the Governments of the United States and Panama agree to refer to the award of the undersigned, Envoy Extraordinary and Minister Plenipotentiary of Her Majesty the Queen of the Netherlands near the Governments of the United States and Panama, the decision as to the amount due by the Government of Panama on account of the death of one American subject and of injuries inflicted on 16 American subjects during the disturbances which took place in the City of Panama on July 4, 1912, the office of the umpire is strictly defined. For Article II of the said Protocol reads as follows:

His Excellency W. L. F. C. Van Rappard shall determine the amounts of such damages upon such papers as may be presented to him by the Secretary of State of the United States and the Envoy Extraordinary and Minister Plenipotentiary of the Republic of Panama at Washington, respectively within five months from the date of the signing of this agreement, but it is expressly understood and agreed that such papers shall relate only to the amount of damages to be paid.

The case shall then be closed unless his excellency shall call for further documents, evidence, correspondence, or arguments from either Government, in which event such further documents or arguments shall be furnished within sixty days from the date of the call. If such documents, evidence, correspondence or arguments are not furnished within the time specified a decision in the case shall be given as if they did not exist.

The entire case of each Government shall be presented in writing.

Therefore the umpire did not go into any examination of the facts which occasioned the regrettable incidents that occurred at Panama on July 4, 1912; he considered that the two Governments had admitted on principle that Ralph Davis, an American subject, was killed and Thomas, Stokes, Barnard, Winbrough, Freseritter, Roach, Lucas, Selby, Young, Arrington, Graham, McDonald, Deleen, Hopkins, Yuhas and Grenier, American subjects, had been injured during the aforesaid disturbances and that the Government of Panama had declared its readiness to pay to the mother of the deceased and to the injured men an indemnity commensurate with the loss of her son to the first named and with the pain suffered by the last named.

¹ Continued from For. Rel. 1915, p. 1183.

² Not printed.

RALPH DAVIS

In the case of Ralph Davis, the umpire holds that in determining the sum which must in full equity be awarded to Davis's mother, the main point is to appraise as fairly as possible in the light of the documents offered in evidence the support given to his mother by the son while living. The umpire considers that no indemnity can be allowed the mother for the son's suffering, for, in point of fact, such an indemnity would be tantamount to paying for injuries sustained by a third party. It is almost universally accepted and settled as a principle of law that pecuniary loss alone can be taken as a basis for the computation of the indemnity. Neither can mental anguish of the beneficiaries be indemnified; the umpire holds that a *solatium* for the loss of a member of the family and for the grief caused by that death, cannot be granted; compensation can only deal with pecuniary loss since, all being considered sentimental indemnities are not susceptible of money measurement.

Acting on that principle, the umpire referred to the documents placed before him by the two Governments litigant in order to arrive at the best possible ascertainment of the pecuniary loss sustained by Mrs. Davis on account of her son's death.

In the American case the umpire found

1st. A statement of Fred O. Davis, a brother of the deceased, signed at Panama and reading as follows:

I, Fred O. Davis, state and affirm that my brother Ralph W. Davis visited the district known as Cocoa Grove about 5 o'clock July 4, 1912, and while in a cantina known as Anne Baker's Place, abutting 20th Street, was killed by a member of the Panama police by a bayonet thrust into the stomach, dying almost instantly. The deceased had been working all day in Charlie Cantor's Hotel Mexico as bartender and had just arrived in the Cocoa Grove district when he was set upon and killed.

Deceased formerly lived at 526 South Figueroa Street, Los Angeles, California, in the sense of legal residence.

Deceased being the only unmarried child was the chief support of his mother, Mrs. Laura A. Davis, now at 526 South Figueroa Street, Los Angeles.

Deceased never carried arms and was unarmed at the time of his death.

2d. A memorial dated January 10, 1914, addressed to the Department of State and containing among others the following statement:

That said Ralph W. Davis deceased was at the time stated in Panama in search of employment by the United States Government on the Panama Canal.

This claim is brought in behalf of Laura Anna Davis, mother of the said Ralph W. Davis deceased, who was entirely dependent on said deceased for her support.

3d. An affidavit sworn to by Mrs. Laura A. Davis before a notary public at Chicago on December 17, 1915, the tenor of which document is as follows:

Laura A. Davis being first duly sworn on oath deposes and says that she resides at No. 1356 LaSalle Avenue in the City of Chicago, County of Cook, and State of Illinois; that she has heretofore filed a claim for damages against the Government of Panama for the killing of her son, Ralph W. Davis at Panama on July 4, 1912.

Affiant further states that said Ralph W. Davis was her son, and was her only support; that he was twenty-nine years of age, strong and robust in health; that he was a carpenter by trade; that as such carpenter he earned from five to six dollars per day, depending upon the place of his employment; that during the time of his employment he contributed to your affiant such amounts as states; that he was unmarried; that he made his home with your affiant at the various places where she had resided.

Affiant further states that she knows nothing of the circumstances surrounding the killing of the said Ralph W. Davis, except as heretofore stated in the memorial now on file in the Department of State, Washington, D. C.; that she understands and alleges the fact to be that the case has been the subject of governmental investigation; that the only evidence she can offer is as was therein stated; except the conditions of said Ralph W. Davis' health, his habits for sobriety, his earning capacity, and his contributions to your affiant for her support.

4th. A letter addressed on March 2, 1916 to the Department of State by McGavin, counsel for Mrs. Laura A. Davis, reading as follows:

In regard to the claim of Laura A. Davis against the Government of Panama for the killing of her son, Ralph W. Davis at Panama City on July 4, 1912, I desire to supplement the information heretofore filed by a brief argument directed to the question of damages, without reference to the circumstances affecting the riot.

Davis was not engaged in the riot. He was an innocent bystander; that, on account of his youth, his robust health, his vigor and his earning capacity of from 5 to 6 dollars per day, his death was of great consequence to the surviving mother. Even if we figure the lesser sum of 5 dollars per day and 5½ days per week, it would amount to 27 dollars and 50 cents per week, and at 52 weeks in the year it would run up to 1,230 dollars per year. At his age (29) and, considering his splendid physical condition, his expectancy would not be less than 25 years of earning capacity, which would amount to (multiplying the yearly income of 1,230 dollars by 25, his expectancy of earning capacity) 30,750 dollars.

But even if we assume that Davis, during his life time worked only 8 months per year, or two-thirds of the time at his trade, he would have earned in that time 20,490

dollars. This is calculating the life of a man in cold dollars and cents. It does not take into account what his companionship means to his mother nor the sorrow and suffering she endured by reason of his death, which even private corporations always consider.

The case delivered to the undersigned by the agent of the Republic of Panama contains:

1st. A statement of Fred C. Davis, brother of the deceased reading as follows:

My name is Fred C. Davis; I live at Los Angeles, California, my mother's address being South Figueroa street, Los Angeles, Cal. I am not employed anywhere but have been engaged in prospecting in the interior of the Republic. My brother and I arrived in Balboa together on the steamer City of Sydney from San Francisco on the 30th of April of this year. We were both engaged in prospecting in the vicinity of the city of Panama along the Prieta river about a day's walk from Juan Diaz. We set out about a month ago.

I saw my brother at the San Tomas hospital after he had been killed at about half past eight that evening. I come from there now. I saw nothing of the fracas and knew nothing of it until somebody told me my brother had been injured. I then went to the San Tomas hospital and found him dead.

My brother was single. He had been married but divorced. Our mother lives at Los Angeles the above given address. Our father is dead. My brother had no children.

2. In addition, in a letter addressed to the umpire by the Minister of Foreign Affairs of the Republic of Panama on March 30, 1916, Mr. Lefevre declares that Davis was unemployed at the time of his death and had neither wife nor children.

The umpire finds that the various information which has been furnished to him as to Ralph Davis's resources is more or less conflicting.

Fred O. Davis in his statement found in the American case says that his brother Ralph on the day of his death was a bartender at the Hotel Mexico while his statement in the Panama case speaks of his brother and himself being engaged in prospecting in the vicinity of Panama. The memorial of January 10, 1914, says that at the time of his death Ralph Davis was at Panama in search of employment by the Government of the United States in the Canal Zone, and in her affidavit of December 17, 1915, Mrs. Laura A. Davis declares that her son was a carpenter by trade and as such earned from 5 to 6 dollars per day. On the other hand the Panama authorities assert that Ralph Davis was unemployed at the time of his death.

The umpire must take into account these conflicting opinions when he first has to find as closely as possible how much Ralph Davis earned approximately per day. Even granting that Ralph Davis might earn from 5 to 6 dollars a day when plying his trade as a carpenter, it seems to the umpire that the facts show that Ralph Davis was changing his trade, was looking for work elsewhere and that under those conditions there were several days in the year when he did not earn from 5 to 6 dollars.

The Umpire thinks that in setting Ralph Davis's income at an average of 4 dollars per day, there is surely no injury done to his memory.

The amount of Ralph Davis's income thus settled there remains to decide how much of his earnings he could turn over to his mother whose chief support he was, according to his brother Fred O. Davis's statement.

The memorial of January 10 goes so far as to say that Davis's mother was entirely dependent on said deceased for her support, while Mrs. Laura A. Davis confirms this in her affidavit of December 17, 1915, in which she says her son Ralph was her only support.

In that same document of December 17, 1915, Mrs. Davis adds that when her son earned from 5 to 6 dollars per day, he gave it all to her and lived with her at the various places where she had resided.

The papers in the case, however, show that Ralph Davis did not always live with his mother. There is nothing in the papers laid before the umpire to show where Davis spent his married life. In the statement found in the case of Panama, Ralph Davis's brother asserts that his brother had been married, but divorced.

In any event, the one fact that Ralph Davis on July 4, 1912, was at Panama and had arrived in company with his brother at Balboa on the preceding 30th of April while Mrs. Laura A. Davis resided at Los Angeles, shows that Ralph Davis had no regular residence at his mother's home.

In order to provide for himself while traveling and meet the expenses of such travels, it cannot have been possible for Ralph regularly to turn over all of his earnings to his mother, though he surely would have done so willingly. The umpire taking into account the date with which he has been furnished sets at \$2.50 per day the average amount Ralph Davis was able to turn over to his mother. On the further ground that at the time of Ralph Davis's death

his mother was 62 years old, and guided by the general tariff's of life insurance companies, the umpire declares that the Government of Panama shall pay to the mother of Ralph Davis, killed during the riot of Panama City of July 4, 1912, the sum of 9,000 dollars.

ISAAC J. THOMAS

Isaac J. Thomas's injury though not fatal was serious. It appears, in particular, from the statement of Mr. A. B. Herrick, addressed to the chief surgeon of the hospital at Ancon that Isaac J. Thomas's recovery would take about five months, that the injured leg would be weak for several months and that permanent disability might result from the injury. On the other hand, the Minister of Foreign Affairs of Panama, in his letter of March 30, 1916 to the Umpire says:

As for the injuries suffered by various American citizens, it appears from a perusal of Dr. C. E. Philip's report that they were slight and did not cause life long injuries or deformities to the sufferers; the case of Isaac J. Thomas is the only one where the sufferer had to quit his daily occupation, his right femur having been broken, but the others suffered no disability worth mentioning.

On the ground of the foregoing statements the umpire decides that the Government of Panama shall pay to the said Isaac J. Thomas, injured during the disturbances in Panama City on July 4, 1912, the sum of 1,200 dollars.

GEORGE F. STOKES

Mr. George F. Stokes stayed at the hospital of Ancon from the 4th to the 21st of July 1912 and complains that on the following 29th of July walking still caused him trouble. The physicians expected him to feel the effects of his injury for six or eight weeks after his discharge under those conditions, the Umpire decides that the Government of Panama shall pay to the said George F. Stokes, injured during the disturbances at Panama City on July 4, 1912, the sum of 750 dollars.

FRED BARNARD

Upon the statements concerning Mr. F. Barnard as found in the documents, particularly that of Dr. Herrick who declares that the injury may be attended later with a slight effect the umpire decided that the Government of Panama shall pay to the said Fred Barnard, injured during the disturbances at Panama City on July 4, 1912, the sum of 500 dollars.

JOHN YOUNG

The umpire decides that the Government of Panama shall pay to John Young, injured during the disturbances at Panama City on July 4, 1912, the sum of 100 dollars.

GORDON WINBROUGH

The umpire decides that the Government of Panama shall pay to Gordon Winbrough, injured during the disturbances at Panama City on July 24, 1912, the sum of 75 dollars.

DAN FRESENRITTER

The umpire decides that the Government of Panama shall pay to Dan Fresenritter, injured during the disturbances at Panama City on July 4, 1912, the sum of 75 dollars.

L. A. ROACH

The umpire decides that the Government of Panama shall pay to L. A. Roach injured during the disturbances at Panama City on July 4, 1912, the sum of 75 dollars.

JAMES LUCAS

The umpire decides that the Government of Panama shall pay to James Lucas, injured during the disturbances at Panama City on July 4, 1912, the sum of 75 dollars.

JOSEPH A. SELBY

The umpire decides that the Government of Panama shall pay to Joseph A. Selby, injured during the disturbances at Panama City on July 4, 1912, the sum of 75 dollars.

LANE ARRINGTON

The umpire decides that the Government of Panama shall pay to Lane Arrington, injured during the disturbances at Panama City on July 4, 1912, the sum of 75 dollars.

SAMUEL GRAHAM

The umpire decides that the Government of Panama shall pay to Samuel Graham, injured during the disturbances at Panama City on July 4, 1912, the sum of 75 dollars.

MATTHEW MC DONALD

The umpire decides that the Government of Panama shall pay to Matthew McDonald, injured during the disturbances at Panama City on July 4, 1912, the sum of 75 dollars.

CARL J. DELEEN

The umpire decides that the Government of Panama shall pay to Carl J. Deleen, injured during the disturbances at Panama City on July 4, 1912, the sum of 50 dollars.

ALLAN F. HOPKINS

The umpire decides that the Government of Panama shall pay to Allan F. Hopkins, injured during the disturbances at Panama City on July 4, 1912, the sum of 50 dollars.

ANDREW YUHAS

The umpire decides that the Government of Panama shall pay to Andrew Yuhás, injured during the disturbances at Panama City on July 4, 1912, the sum of 50 dollars.

FRANK A. GRENIER

The umpire decides that the Government of Panama shall pay to Frank A. Grenier, injured during the disturbances at Panama City on July 4, 1912, the sum of 50 dollars.

Lastly, the umpire decides that the above-mentioned indemnities shall be paid to the interested parties within sixty days from the date of the award, if not so paid, the Government of Panama shall owe over and above each indemnity interest reckoned at six per centum per annum from the 20th of October to the day of payment.

Washington, D. C., October 20, 1916.

W. L. F. C. DE RAPPAUD,
Minister of the Netherlands at Washington and at Panama City

File No. 419.11D29/146

The Secretary of State to the Minister of the Netherlands

DEPARTMENT OF STATE,
Washington, November 1, 1916.

SIR: I have the honor to acknowledge the receipt of your note of October 20, transmitting your arbitral award fixing the amounts due from the Panaman Government to the American victims of the disorders in the city of Panama on July 4, 1912.

Thanking you for the information received, the substance of which has been conveyed to the interested persons,

I avail myself [etc.]

ROBERT LANSING

File No. 819.11D29/155

Minister Price to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Panama, December 12, 1916, 9 a. m.

Panaman Minister for Foreign Affairs has sent to me remittance for twelve thousand three hundred and fifty dollars stating that it is in payment of award of arbitration award Fourth of July riot on account of the death of one and wounding sixteen Americans. Same will be forwarded by mail steamer tomorrow.

PRICE

File No. 419.11D29/159

Minister Price to the Secretary of State

No. 1197

AMERICAN LEGATION,
Panama, December 12, 1916.

SIR: Confirming my cablegram of this date, 9 a. m., I have the honor to transmit a copy of a note from the Secretary of Foreign Affairs of Panama and of its translation and the remittances therein referred to, which are stated to be in payment of the arbitration award rendered on the 20th of October, last, by the Netherlands Minister to Washington and Panama, in the matter of the claims growing out of the riot between American soldiers and Panaman police and civilians on July 4, 1912. The payments, aggregating \$12,350.00, are stated to be on account of the death of one American and the wounding of sixteen others on said occasion.

The remittances include a draft for the sum of \$10,000.00, bearing No. 306, and drawn by the Treasurer General of the Republic of Panama on William Nelson Cromwell of New York, payable to my order; also, a check bearing the No. of 75, drawn on the Metropolitan Trust Company of New York by the Secretary of Finance and Treasury of Panama, and payable to my order, for the sum of \$2,350.00. I have duly endorsed said remittances.

I have [etc.]

WM. JENNINGS PRICE

[Inclosure—Translation]

The Secretary of Foreign Affairs of Panama to Minister Price

PANAMA, December 9, 1916.

MR. MINISTER: In accordance with the decision dictated on the 20th of October of the present year by his excellency, W. L. F. C. de Rappard, Envoy Extraordinary and Minister Plenipotentiary of the Netherlands to the Governments of Panama and the United States of America, designated by both countries as arbitrator to decide the amount to be paid by Panama for the death of an American citizen and for woundings caused to sixteen other citizens of the same nation during the disturbances which took place in this capital on July 4, 1912, I have the honor to remit to your excellency draft number 306, in your favor, for the sum of ten thousand (B/10,000.) balboas, and check number 75, also in favor of your excellency, for the sum of two thousand three hundred and fifty (B/2,350.) balboas, charged against Mr. William Nelson Cromwell and the Metropolitan Trust Company, respectively, making a total of twelve thousand three hundred and fifty (B/12,350.) balboas, as determined by the said arbitrator, in the decision above mentioned.

I take [etc.]

NARCISO GARAY

**RIOT AT COLON, APRIL 2, 1915—KILLING OF CORPORAL LANGDON
AND WOUNDING OF OTHER AMERICAN SOLDIERS¹**

File No. 319.1128L25/31

Minister Price to the Secretary of State

[Extract]

No. 848

*AMERICAN LEGATION,
Panama, March 14, 1916.*

In the matter of the investigation being conducted by the Panaman authorities upon the Colon riot of April 2, 1915, I have the honor to report that upon reading the report of Captain Oliver Edwards upon the conduct of this investigation, I found the following paragraph:

It is most earnestly requested that the Panamanian Government be urged to give the witnesses who are now able to identify any of the Panamanian policemen guilty of misconduct, a chance to do so at once.

I thereupon addressed a communication to Colonel Adelbert Cronkhite, now commanding the United States troops in the Canal Zone in the absence of Brigadier General C. R. Edwards, asking for full information with reference to treatment accorded the representative of our military authorities at this investigation and as to whether the courtesy, consideration and opportunities had been extended by the Panaman authorities to the representatives from our military headquarters, to which they were entitled in the opinion of the commander of the troops.

The response of Colonel Cronkhite to this letter I have copied in full, with the exception of the first paragraph thereof, in a Foreign Office note sent by me to the Secretary of Foreign Affairs of Panama. A copy of this Foreign Office note is herewith enclosed.

A day or two ago the Secretary of Foreign Affairs of Panama took occasion to state to me that he had been informed by the Panaman investigating authorities that they were about ready to conclude their investigation, and that he would be glad to know whether this was agreeable to our military authorities. I replied to him at once with expression of surprise that I knew it would not be agreeable; that I had understood that proper opportunities had not been given our witnesses to appear or to testify fully and that I could not emphasize too strongly to him the expectations of my Government as to energetic, sincere and earnest action on the part of Panama in searching out those guilty of committing the wrongs on this occasion and in prosecuting them vigorously.

I refer to the file in this case, and particularly to my repeated notes to the Secretary of Foreign Affairs of Panama and reports of conferences with him, and should be glad to have such suggestions from the Department as it may care to give as to what further steps I may be authorized to take in an attempt to procure fulfillment by Panama of its obligations in this matter.

I have [etc.]

WM. JENNINGS PRICE

¹ Continued For. Rel. 1915, p. 1194.

[Inclosure]

Minister Price to the Minister of Foreign Affairs

No. 285

AMERICAN LEGATION,
Panama, March 14, 1916.

EXCELLENCY: Reverting to the matter of the preliminary investigation which has lately been in progress by authorities of your excellency's Republic of the riot, which took place in the city of Colon on April 2, 1915, I have the honor to quote the following from a communication received today by this Legation from Colonel Adelbert Cronkhite, now commanding our military troops in the Panama Canal Zone, namely:

Governor Fernandez conducted the preliminary investigation of a great many soldier witnesses at which investigation Lieut. d'Alary Fechet, 5th Infantry, was present. On March 2, Lieut. R. C. F. Goetz, 1st F. A., Aide-de-Camp; Private Foster, Company A, 10th Infantry; Private Seely, Company B, 5th Infantry; and Private Hartley, Q. M. Corps, appeared at Governor Fernandez's office for the alleged purpose of identifying the Panamanian policemen whom they had seen misconduct themselves at the riot. On this date, the Panamanian police, ostensibly brought over from Colon, were in civilian dress. A protest was made on account of the manifest unfairness of seeking an identification under such conditions, so the policemen were ordered to report the next day in uniform. On this date, Lieut. Goetz first designated a policeman as one whom he believed that he had caused to be arrested in Colon on the day of the riot as Corporal Langdon's murderer. On second thought, Lieut. Goetz stated that he was not sure of the man and desired to examine them all again, but this request was refused on alleged legal grounds, for that day and later this refusal was sustained, it is understood, by the Superior Court. The four enlisted men called, stated that they could not pick out Corporal Langdon's murderer as they had not seen the corporal killed. This fact was recorded in evidence and it is to be noted that not one American witness was called who had testified that he had seen Corporal Langdon shot. And yet the evidence given before the Panamanian authorities showed plainly the names of the witnesses who had seen this particular shooting. Two of the soldier witnesses called stated that they could pick out among the policemen, the men who fired on the special train. They were informed, however, that they could not do this, as they were called only to pick out Corporal Langdon's murderer and for no other purpose. Governor Fernandez stated to Lieut. Fechet that this identification was called, and conducted in accordance with a letter sent by the Prosecuting Attorney, Señor Almoner, the Superior Judge, Señor Arosemena, and forwarded by the latter to Governor Fernandez for compliance. Eight Panamanian policemen were brought before the witnesses for identification. It is believed that only one of these eight policemen were on duty at the time of the riot. Therefore, even had the soldier witnesses called, been those that saw Corporal Langdon shot, they would have had opportunity to identify but one of the many policemen who were on duty in Colon on the day of the riot.

All that has been done in the hearing of the Colon riot case by the Panamanian authorities, so far as known to these headquarters, is the taking of evidence and the attempted identification referred to. As can readily be seen, practically nothing has been done as to the identification of the Panamanian police guilty of misconduct at the riot.

An alleged list of the Panamanian policemen on duty in Colon in the district where the riot occurred, on the date of the riot, was sent to the American Minister by the Panamanian Secretary of Foreign Affairs, as an accompaniment to the latter's letter of September 30, 1915. This is not a full list of all the Panamanian policemen on duty in Colon on April 2, 1915, as the name of Carlos Nuno, Policeman No. 3, whom Lieut. Goetz caused to be arrested near Broadway and 11th streets, on the day of the riot, does not appear in the list. Almost a year has elapsed since the riot. The passing of each day renders the identification of the guilty Panamanian policemen more difficult. Therefore, it is most earnestly requested that, without further delay, all witnesses who saw any shooting on the part of any Panamanian policemen during the Colon riot be given full opportunity to identify the policemen, whether they were shooting at Corporal Langdon or at any other Americans. It is to be remembered that there were other American soldiers shot besides Corporal Langdon. For this purpose the Panamanian policemen, on duty in any part of Colon on the day of the riot, should be brought before witnesses for identification, as perhaps the majority, if not all of the policemen were present at some part of the riot.

The witnesses to the shooting of Corporal Langdon are: [List of 15 witnesses not printed.]

The witnesses to further firing by the Panamanian police on Americans are as follows: [List of 27 witnesses not printed.]

I think that it is clear that the identification, so far had, is rather more of a farce than anything else. If the Panamanian authorities were anxious to do the proper thing in regard to ferreting out the parties responsible for the firing, action should have been taken long ago, but since it has not been, it should be taken at once, and all witnesses given an opportunity to see all Panamanian police who were present at the riot. It is recommended that this matter be laid before the Panamanian authorities, and that they be requested to take up in earnest the question of identification of Panamanian policemen by Americans, and this without further delay.

In view of the statements contained in said communication your excellency, I am sure, will concede the naturalness of the very large surprise which has increasingly possessed me, since your excellency told me a few days since of being informed by the Panamanian investigating authorities that they were about

to conclude this investigation,—your excellency kindly adding that you would be glad to know whether our military authorities were agreeable to this.

This communication is submitted to your excellency with the confident hope that it will receive the earnest consideration in the office over which your excellency so capably presides, to which it is believed to be entitled, and, also, that action of a thorough and prompt character may follow at the hands of your excellency, which will be really effective in the premises.

The references in said communication will be particularly noted to the experience of Lieut. Goetz, who was refused an opportunity of a second inspection of certain policemen for purposes of assuring himself of correctness in the matter of identification, and that such a ruling was sustained by the Superior Court; that besides Lieut. Goetz, only four soldiers have been called for purpose of making identifications and not one American witness among those who had already testified before the Panaman authorities that they saw Corporal Langdon shot, has been subsequently called to make identification; that when two of the soldier witnesses stated on the occasion of their summoning that they could pick out among the policemen the ones who fired on the special train the day of the riot, they were informed they could not be allowed to do this, as they were summoned only to identify Corporal Langdon's murderer and for no other purpose; that the proceedings thus far as to identification have been conducted, according to the statement of Governor Fernandez, in accordance with a letter from the Prosecuting Attorney of Panama to the Superior Judge of Panama, Señor Don Demosthenes Arosemena, and forwarded by the latter to Governor Fernandez; that of all the Panaman policemen engaged in the events of this riot only eight have been called and submitted to inspection of our soldier witnesses for identification.

Your excellency, I am convinced, can not deem it inappropriate for me to refer expressly to my Foreign Office note No. 267 of December 6, last, and to the repeated and insistent requests presented theretofore for information, which it was believed would be helpful in the conduct of this investigation. I now again respectfully request the balance of the information asked for in my prior repeated notes.

If this information now so long asked is not furnished my Government it would be appreciated if it may meet with your excellency's approval to give the reason for the refusal to do so.

Further on behalf of my Government I respectfully request, if compatible with the will of your excellency, that information may be given it on the following matters, namely:

Who was sitting as Judge of the Superior Court of Panama, when the ruling was upheld of refusing Lieut. Goetz the opportunity of a further examination of the few policemen so far presented for identification and the reasons for such refusal.

Likewise, the reason for the ruling that our soldier witnesses so far called should have been limited to identification of the party, who may have murdered Corporal Langdon and should not have been permitted in the present investigation to attempt to identify every policeman, whom they might be able to identify even after the long delay of nearly a year in being given such an opportunity in each and all of the distressing events of that day.

Also, whether above rulings are to be maintained in such further progress, if any, of this investigation.

In the name of my Government there is respectfully recalled to your excellency the expression of hope, which my Government indulged, upon the repetition again on April 2 of last year of calamitous happenings like these, that your excellency's friendly and neighboring Republic would, as never before, fulfill with a considerate promptness, energy and utmost earnestness every obligation which this responsibility imposed. Any failure so to do, your excellency will doubtless under all the circumstances frankly grant, can not fail to result in the fullest reckoning by the Republic of Panama to my Government.

While awaiting without any further delay than the necessities of the situation may require consistent with the disposition of your excellency, a complete and prompt response,

I avail [etc.]

[Not signed.]

File No. 319.1128L25/32

Minister Price to the Secretary of State

No. 866

AMERICAN LEGATION,
Panama, March 22, 1916.

SIR: Referring to my despatch No. 848, with which I transmitted a copy of a late note to the Secretary of Foreign Affairs of Panama seeking to obtain more energetic and sincere action on the part of their authorities in the investigation of the riot, which took place in the city of Colon on April 2, 1915, I have the honor to report that Foreign Secretary Lefevre after the receipt of my said note requested a conference in his office with the representative of the American military authorities, who had been present at the investigation, and myself. I suggested to Major H. A. White, Judge Advocate, on the staff of the Commanding General, to attend also, and at the conference Señor Lefevre had present Governor Fernandez, the Governor of the Province of Panama, who presided over the investigation. There was no disposition to criticize the courtesy or manner of Governor Fernandez, and it was not done, but same was frankly and appreciatively acknowledged by us. However, the rulings of Governor Fernandez, complained of in my note above mentioned, were criticized with all emphasis, at the same time indulging in the concession that he was acting under the orders of the Superior or Criminal Judge and Prosecuting Attorney. Señor Lefevre gave assurances that these experiences would not occur again, and that every opportunity would be given to our soldier witnesses to make identifications of the policemen and to testify with reference to all of the happenings on the day of the riot. I requested that Señor Lefevre as promptly as possible arrange a conference at which there should be present Governor Fernandez, the Prosecuting Attorney of the Republic of Panama, the Chief of Police of the Panama police on duty in Colon on the day of the riot, and the subordinate police official who had direct charge of the section of the city in which the riot took place, and the Governor of the Province of Colon representing Panama, and Major White, Lieut. Fechet and a representative of the Canal Zone police force familiar with the city of Colon and acquainted with the Panaman police force of said city, for the purpose of selecting from the rather large number of Panaman police serving in Colon at that time, those members of the force who were most likely involved in the events of the riot, to the end that there might be some system followed in presenting before our soldier witnesses the Panaman policemen for identification, and so that they might not be brought before the witnesses indiscriminately and in large numbers resulting in confusion and a hindrance rather than an aid to their identification. This was agreed to and the day before yesterday, the 20th, was set as the day for said conference. Same, however, has not yet taken place on account of Señor Lefevre claiming that he has not been able to get all the parties together, but promises to do so within the next few days. I took occasion at this conference to repeat with all due emphasis the expectations of our Government in this matter and to attempt to impress Señor Lefevre

with our earnestness and impatience herein in view of the recent experiences.

I received yesterday a reply from Secretary Lefevre to my late note, a copy and translation of which I enclose. There was attached to this note a list of the numbers which the Panaman policemen bore on the day of the riot, but the names of the policemen did not appear. This list I turned over to our military authorities promptly without waiting to copy it. Today I have sent another note to Secretary Lefevre asking again for the names of these policemen and for information along other lines heretofore requested and which has not yet been given.

I have [etc.]

WM. JENNINGS PRICE

[Inclosure—Translation]

The Secretary of Foreign Affairs to Minister Price

No. S-9319

PANAMA, March 20, 1916.

MR. MINISTER: I have the honor to acknowledge the receipt of your excellency's valued note, F. O. No. 285, of the 14th instant, the perusal of which gave me great surprise because when your excellency orally laid before me on the 13th of the same month the complaint of the American military authorities against the manner in which the inquiry into the deplorable events which took place in Colon on April 2, 1915, was conducted I told your excellency that I cherished the most earnest wishes to bring an immediate and efficient remedy to the objections that had been presented, and we agreed to have a conference in my office for that purpose which would be attended by your excellency with the representative of the American military authorities who has witnessed the taking of the depositions, Governor Fernandez, and the undersigned, which conference did take place on the 16th of this month.

As was made apparent at that meeting what has happened up to date is as follows: The Superior Judge of the Republic, Señor J. Demostenes Arosemena, charged the Governor of the Province of Panama, Señor Fernandez with the duty of conducting the present inquiry into the disturbance of April 2 of last year in his capacity as examining magistrate under the law, by taking the depositions of the American witnesses about all the happenings of the said disturbance, and in virtue thereof Governor Fernandez examined in the presence of Lieutenant d'Alary Fechet, representative of the military authorities of the Canal Zone, the soldiers who were summoned as witnesses numbering from 60 to 70, and did not examine any more because the said Lieutenant declared that that number was sufficient. All those depositions were delivered to the Superior Court and the attorney of the said court probably finding that the report did not contain enough data to enable him to arrive at the legally certain decision as to who caused the death of Langdon, directed the Governor to institute an additional inquiry for the purpose of identifying through the American eyewitnesses the person whom they alleged shot at Langdon and caused his death.—That is the reason, according to Governor Fernandez's statement at the conference above referred to why he believed that he was not authorized to examine those witnesses on points other than that which had to do with the death of Langdon.

But, as the Government's desire in this matter, and I wish to say it again to your excellency, is to succeed in ascertaining the whole truth so as to be able to punish those who are found guilty, I wrote to the attorney of the Superior Court for him to order an additional investigation in which all the witnesses that may be summoned will declare as to what they have seen and know in connection with the said disturbance, and identify all the persons to whom they refer in their statements.

As for the information which your excellency was pleased to request in several of your notes I must remark that the Governor of the Province of Colon, of whom I asked the list of the police officers on duty in the city of Colon on April 2, 1915, only gave me the names of those who were on duty in the wards where the disturbances occurred, believing that that would be suffi-

cient, but I have now received, and beg to enclose it herewith, the full list of the policemen on duty on that day with a statement of the places where they were on duty.

The information desired by the American military authorities as to which witnesses included in the lists delivered to your excellency in my note No. S-8057 of September 30, 1915, were eye witnesses of the occurrences, may easily be found by their representatives in the depositions of the report that have been put at their disposal by the attorney of the Superior Court, and in the same way the said representative may get as much information as he may desire about the proceedings, since, as I have had the honor to say to your excellency, it is my Government's wish to keep him advised of the progress of the inquiry, and that all the evidence that he may point to be made to appear in the case which the attorney of the Superior Court has offered to do many times.

I will not close without expressing the profound sorrow given me by the last paragraph of the report of Colonel Cronkhite, of which your excellency gives me a copy, in which he says that "it is clear that the investigation held up to now is more of a farce than anything else," which gives it to understand that the Panaman authorities are not anxious to find those who are guilty of the offenses committed on that date. This view, Mr. Minister, is entirely wrong and implies an accusation brought against our authorities, both judicial and administrative, which cannot be allowed to go unprotected. The proceedings connected with these events are being carried on as speedily as the large number of witnesses who have to testify about them and the provisions of our law will allow; the difficulties to which Colonel Cronkhite and your excellency refer come exclusively from technically legal causes and not any unwillingness on the part of our officials who are all concerned in bringing the truth to light and bringing punishment upon the delinquents, as was testified by Lieutenant d'Alary Fechet himself in your excellency's presence when he recognized the readiness displayed by Governor Fernandez to his conducting the present inquiry.

I cherish the hope that the said objectionable feature will not again occur, but I hope that if it should happen the representative of the American military authorities will not fail immediately to report the fact for the purpose of bringing a remedy.

I avail [etc.]

E. T. LEFFEVRE

File No. 319.1123L25/31

The Secretary of State to Minister Price

No. 238

DEPARTMENT OF STATE,
Washington, April 1, 1916.

SIR: Referring to your despatch No. 848 of March 14, last, in reference to the investigation which is being conducted by the Panaman authorities in regard to the Colon riot of April 2, 1915, you are hereby informed that the Department approves of your note No. 285 of March 14, last to the Foreign Office, a copy of which accompanied your despatch referred to above.

Inasmuch as the Panaman authorities appear to have been remiss in conducting the investigation mentioned and since previous communications to the Foreign Office on this subject have not produced the desired result of expediting the investigation and giving to it an appearance of being conducted in good faith, you may, in the event that your note of March 14, does not produce prompt and satisfactory results, inform the Minister for Foreign Affairs more emphatically than has already been done as to the views which you entertain respecting this investigation and add that this Government is not satisfied with the manner in which the Government of Panama has dealt with the matter.

I am [etc.]

ROBERT LANSING

File No. 319.1123L25/87

Minister Price to the Secretary of State

No. 888

AMERICAN LEGATION,
Panama, April 6, 1916.

SIR: In the matter of the investigation of the riot of April 2, 1915, I have the honor to enclose a copy and translation of another note from the Secretary of Foreign Affairs of Panama,² now at last transmitting a list of the witnesses, whose testimony was taken by the Panaman judicial authorities independent of our representatives, and which witnesses claimed to have seen personally some of the events which transpired on the day of the riot.

In the conference reported in my despatch No. 866, of March the 22d, it was agreed by Foreign Secretary Lefevre that our representatives should have access to the report of the testimony of the witnesses taken by their judicial authorities, which will give opportunity to ascertain the measure of value of the testimony of the list of eyewitnesses mentioned above.

I have [etc.]

WM. JENNINGS PRICE

File No. 319.1123L25/32

The Secretary of State to Minister Price

No. 240

DEPARTMENT OF STATE,
Washington, April 12, 1916.

SIR: The Department has received your No. 866, of the 22nd ultimo, in which you enclose a copy of a note addressed by you to the Panaman Foreign Office urging more energetic action on the part of the Panaman authorities in the investigation of the riot which took place in the city of Colon on April 2, 1915.

You also report the result of your conferences with Señor Lefevre with the same end in view.

Your action in the matter is approved.

I am [etc.]

For the Secretary of State:

JOHN E. OSBORNE

File No. 319.1123L25/39

Minister Price to the Secretary of State

[Extract]

No. 901

AMERICAN LEGATION,
Panama, April 20, 1916.

SIR: I have the honor to enclose a copy of a letter from Brigadier General C. R. Edwards, Military Commander of the Canal Zone, replying to a note from me, sending him a copy of Captain Mitchell's report, and stating that I should be glad to have any information which his headquarters might have regarding the status of Nunez, and any suggestions [he] might care to make.

² Not printed.

I have not yet referred to this matter in any talks with the Secretary of Foreign Affairs of Panama, because I felt it advisable to await the receipt of the report of the representative of our military authorities, who has been conducting the attempted identification by our soldiers of the Panaman policemen involved in this riot.

I have [etc.]

WM. JENNINGS PRICE

[Inclosure—Extract]

General Edwards to Minister Price

HEADQUARTERS UNITED STATES TROOPS,
PANAMA CANAL ZONE,
Ancon, C. Z., April 11, 1916.

MY DEAR MR. MINISTER: In reply to your letter of the 8th instant, regarding the information furnished by Captain Mitchell, of the Canal Zone Police, relative to Carlos Nunez, I may state that the Panamanian authorities agreed to keep Nunez confined until he was tried for matters in connection with the Colon riot, or, if they found that he should be released without trial, he would not be released until I was informed of the intention to do so.

For some time, I kept in touch with the confinement of Nunez, as I had heard rumors that he was out of confinement, but each time that I have inquired about the matter I was informed that he was still in confinement. As to the trial of Nunez, I know nothing whatever about it.

I think it would be well to call Señor Lefevre's attention to the fact that Captain Mitchell has information relative to the employment of Nunez in Panama and, after stating the agreement that I had with the Panamanian authorities that he would not be turned loose without first informing me, ask him pointedly what explanation the Government of Panama has to offer for such action.

Very respectfully,

C. R. EDWARDS

File No. 319.1128L25/40

Minister Price to the Secretary of State

[Extract]

No. 907

AMERICAN LEGATION,
Panama, April 24, 1916.

SIR: In the matter of the Colon riot of April 2, 1915, I have the honor to transmit a copy of a letter received from Brigadier General C. R. Edwards, Military Commander of the Canal Zone, with which he has transmitted to this Legation a copy of the report of Lieutenant d'Alary Fechet upon the attempted identification by our soldier witnesses before the Panaman authorities of the Panaman policemen involved in the shooting and wounding and mistreatment of Americans upon the occasion of said riot.

Regarding the Panaman policeman, Carlos Nunez, it will be noted that General Edwards expresses the opinion that said Nunez can not be successfully prosecuted for the murder of Corporal Langdon. However, in the report of Lieutenant Fechet it is seen that Nunez has been identified as the Panaman policeman who fired on the special train and who wounded a soldier of the 5th Infantry as a result of said shooting.

I have had a talk of a preliminary nature with Foreign Secretary Lefevre since the receipt of this report, and without referring to the report I have again called attention to the dereliction on the

part of his Government in not pressing this investigation vigorously and promptly after the riot, as we had persistently begged them to do, and I have again attempted to emphasize the fact that the sole responsibility rested upon Panama for the initiation and conduct of this investigation and of the prosecution of the parties guilty of wrongs on said occasion. Señor Lefevre admitted frankly that the investigation should have been more prompt and thorough, declaring that he had done all he could to bring it about.

The testimony of the soldier witnesses as to identification was disappointing, but really not surprising in view of the length of time elapsing before an opportunity was given them by the Panamanian authorities to view the policemen suspected of probable complicity in the wrongs committed in the riot. * * *

General Edwards, it will be seen from his letter, is of the opinion that sufficient evidence has been produced to warrant the trial of some of the Panamanian policemen for firing upon the soldiers on the train on the afternoon of the riot.

His letter, also, contains gratifying references to the work of the Legation in this matter.

I should be glad to have such suggestions from the Department as it may care to give with reference to the character of further steps in this matter, which, of course, I expect to take to the end that every resource may be exhausted before accepting as an accomplished fact the conclusion of this whole matter without the prosecution of anyone connected with it.

I have [etc.]

WM. JENNINGS PRICE

[Inclosure—Extract]

General Edwards to Minister Price

HEADQUARTERS UNITED STATES TROOPS, PANAMA CANAL ZONE,
Ancon, C. Z., April 21, 1916.

MY DEAR MR. MINISTER: I enclose herewith copy of report rendered by 2d Lieut. d'Alary Fechet, 5th Infantry, upon the subject of identification of Panamanian policemen present at the Colon riot of April 2, 1915. The trouble had in securing the presence of these policemen for the purpose of identification by soldier witnesses, you of course, are familiar with, as it was largely through your good offices that such identification was accomplished. I feel satisfied that the policemen presented by the Panamanian Government were some of those on duty at the time of the riot, and, while I presume that there were some absent who did some shooting, yet I doubt if their absence was intentional on the part of the Panamanian Government.

After reading the identification report of Lieut. Fechet, I am unable to agree with him that it would be impossible to secure the conviction of any Panamanian policemen, should they be charged with firing upon soldiers. I think there is sufficient evidence to warrant the trial of some of the policemen for firing upon the soldiers on the train. I have, however, reached the conclusion that Subteniente Carlos Nunez, cannot be found guilty of the murder of Corporal Langdon.

I am of the opinion that as a result of the investigation conducted by Governor Fernandez, including the identification that the next step to be taken is by the Panamanian authorities. As I understand the nature of Governor Fernandez's investigation, it was more or less that of a grand jury, i. e., an investigation to find a true bill against any man firing at soldiers, or to render a return that the evidence does not justify trial. I feel, as stated above, that the evidence does justify a trial in some cases, but, as stated, I am of the opinion that the next move is to be made by the Panamanian authorities. * * *

Your interest and activity in this matter has been such, and has been so fully appreciated by me, that I hesitate to make any recommendations to you, but I would be pleased to know at what time Governor Fernandez submits his report, and if any action thereon is immediately taken. With deep appreciation of your assistance in this matter of the Colon riot, I remain

Sincerely yours,

C. R. EDWARDS

[Subinclosure—Extract]

Lieutenant Fechet to General Edwards

CAMP AT EMPIRE, C. Z., April 15, 1916.

IDENTIFICATION OF PANAMANIAN POLICEMAN

In a report on an investigation of the Colon riot submitted to the Commanding General, U. S. Troops, Canal Zone, by Capt. Oliver Edwards, 5th Infantry, on February 3, 1916, it was urgently requested that the witnesses who were able to identify any Panamanian policemen implicated in the Colon riot, be given an opportunity to do so at once.

In the latter part of February, 1916, the Panamanian authorities requested information as to whether the American authorities were ready to consider the Colon riot case as satisfactorily settled. A most emphatic reply was made to the effect that this case would be considered settled only when every witness, able to identify any Panamanian policeman had been given ample opportunity to do so. * * *

On February 29, 1916, Lieut. Goetz and three enlisted men were called by the Panamanian authorities to identify nine Panamanian policemen, who were also called by the Panamanian Government. On finding that the policemen were in civilian clothes it was demanded that the policemen be brought next day in their regular uniform. On March 1, 1916, the same witnesses and the same policemen appeared, the latter in their regular uniforms. Lieut. Goetz at first identified one policeman as the one whom he had arrested as Corporal Langdon's murderer on April 2, 1915, but in a few seconds altered his decision and wished to pick out a second policeman. On the ground that this was illegal he was not allowed to do so. The enlisted men were allowed only to attempt to pick out Panamanian policemen implicated in Corporal Langdon's murder. As these witnesses had previously [stated] in declarations turned over to the Panamanian Government that they knew nothing about Langdon's murder but had seen other misdemeanors committed by Panamanian policemen they could pick out no one. It was evident that the Panamanian Government intended to have this identification answer as the identification demanded by the American Government through the American Minister. It was now demanded that a list of Panamanian policemen desired for identification should be drawn up by the American authorities and that these men should at once be assembled for identification. This was acceded to by the Panamanian Government.

After a long delay and one false start when the American witnesses were at the place set and no Panamanian policeman appeared, the identification began on the morning of April 12, 1916, and lasted till noon on April 13, 1916.

Of the 38 American witnesses called only nineteen were able to make any identification whatsoever.

In the report on the Colon riot submitted by Lieut. Goetz on May 2, 1915, he stated that he had Subteniente Carlos Nunez arrested as the man who shot the soldier. Evidently the soldier referred to is Langdon. This arrest was made on the identification made at the time by Pvt. Charles Herskovitz, Co. "M" 5th Infantry. In the declaration made by Pvt. Herskovitz and submitted by Lieut. Goetz in his report Herskovitz states that he saw a Lieutenant of Panamanian Police fire on the special train hitting a soldier of the 5th Infantry who was standing on Herskovitz's left; that after the Artillery arrived the police standing on Herskovitz's were fired upon and the Artillery returned this fire; [sic.] that no one was hit by this second fire; that he reported to Capt. Davis that he could identify this police Lieutenant; that the Lieutenant of police was found and placed under arrest by a Lieutenant of Artillery. From this it is seen that Subteniente Nunez should have been arrested in Colon on April 2, 1915, as having shot a soldier of the 5th Infantry who was in the train, and not as Langdon's murderer.

The Colon riot occurred on April 2, 1915. The identification of the Panamanian policemen was not attempted until April 12, 1916, more than a year having elapsed since the occurrence of the crimes for which the Panamanian policemen were to be identified. In this year it has been inevitable that many witnesses should forget the happenings of April 2, 1915, and especially that they should forget the faces of the Panamanian policemen. In this long period many witnesses who were especially desired by the American authorities have left the Isthmus. Had this identification and investigation been vigorously conducted immediately after the riot the murderer of Langdon and the other policemen implicated in the riot would undoubtedly have been discovered. The failure of the investigation and identification conducted by me under the supervision of Capt. Edwards and of Major White to fix the responsibility for any of the crimes committed by policemen in Colon on April 2, 1915, on any policemen, I believe to be due to the long time which had been allowed to pass between the riot and my appointment to conduct this investigation.

D'ALARY FECHET

File No. 319.1123L25/42

Minister Price to the Secretary of State

No. 922

AMERICAN LEGATION,
Panama, May 6, 1916.

SIR: Referring to my despatch No. 907 of April 24 last, relating to the investigation of the Colon riot of April 2, 1915, I have the honor to enclose a copy of another note to the Panaman Foreign Office. I delivered same personally on yesterday and attempted again to impress upon Secretary Lefevre the importance of his authorities complying more energetically and earnestly with the expectations of our Government herein.

I have [etc.]

WM. JENNINGS PRICE

[Inclosure]

Minister Price to the Minister for Foreign Affairs

F. O. No. 301

AMERICAN LEGATION,
Panama, May 5, 1916.

EXCELLENCY: Referring to the investigation of the Colon riot of April 2nd, 1915, and to the fact that notwithstanding more than a year had elapsed before American soldier witnesses were given an opportunity by your excellency's authorities in charge of said investigation to examine and identify generally Panaman policemen, who may have been involved to a guilty extent in said riot, I have the honor to inform your excellency that the military authorities of the Canal Zone have advised me that certain identifications have been made and it seems at the least that most helpful evidence has been produced in the aid of a thorough investigation and placing of guilt by your excellency's authorities.

With the sole responsibility upon Panama for the earnest conduct of investigation and prosecution herein and the jurisdiction thereof being necessarily within the Republic of Panama and in view of the large interest of my Government in this affair, it would be appreciated if your excellency would be good enough to let us know what further steps, if any, have been or are contemplated being taken by authorities of your excellency's Government since the testimony recently given by our soldier witnesses; when a report upon said investigation may be expected from Governor J. M. Fernandez, having same in charge; to what Judge his report thereof will be transmitted and whether it may be agreeable to let us have a copy of same at the time of its being rendered. Brigadier General C. R. Edwards, Military Commander of the Canal Zone, has particularly requested the favor of having a copy of this report as soon as it may be made out.

I avail myself [etc.]

[Not signed.]

File No. 319.1123L25/44

Minister Price to the Secretary of State

No. 926

AMERICAN LEGATION,
Panama, May 8, 1916.

SIR: Relating further to the investigation by Panama of the Colon riot of April 2, 1915, I have the honor to enclose copy and translation of a response from the Panaman Foreign Office to my note, which was an enclosure with my despatch No. 922 of May 6, 1916. I shall furnish a copy duly to the Military Commander of the Canal Zone

I have [etc.]

WM. JENNINGS PRICE

[Inclosure—Translation]

The Secretary of Foreign Affairs to Minister Price

No. S-9702

PANAMA, May 9, 1916.

MR. MINISTER: I have the honor to acknowledge the receipt of your excellency's kind note No. 301 of the 5th instant concerning the inquiry instituted into the deplorable events which took place in the city of Colon on April 2, 1915.

In reply it affords me pleasure to say to your excellency that the identifications to which you refer are now completed and that the report has been returned today to the Superior Court by Governor Fernandez who had charge of the inquiry. The Acting Superior Judge, Dr. Don Damaso Cervera, is to decide now on the merits of the proceedings after hearing the opinion of the attorney of the Superior Court, Don Evaristo Almengor.

As soon as I have knowledge of the hearing of the attorney and of the order that may be issued by the Acting Superior Judge it will afford me pleasure to forward copies thereof to your excellency, being unable to do likewise with the report of Governor Fernandez, which Brigadier General C. R. Edwards wishes to know, because there is no such report; under our laws, however, the examining magistrate confines himself to taking depositions and carrying out the proceedings that have been put in charge without expressing an opinion; so that which Governor Fernandez delivered to the Superior Court is the report in which the depositions taken by him and the journals of the identifications are recorded.

In order that your excellency may form an idea of the interest taken by my Government in having this lamentable matter decided in accordance with the dictates of justice and in visiting condign punishment on the guilty without mitigation of any kind, I take the liberty of enclosing copies of the letters sent by me to the Acting Superior Judge and to the attorney of the Superior Court.

I have [etc.]

E. T. LEFEVRE

[Subinclosure 1—Translation]

*The Secretary of Foreign Affairs to the Attorney of the Superior Court*DEPARTMENT OF FOREIGN RELATIONS,
Panama, May 9, 1916.

MR. ATTORNEY: I forward herewith to you a copy of the note sent by the American Minister with regard to the inquiry instituted into the event that took place at Colon on April 2, 1915.

As the inquiry which Governor Fernandez had been ordered to conduct is now completed and the report of proceedings was delivered today in the Superior Court, as I understand, and you have to hand down an opinion thereon, I venture to remind you that the Government is especially interested in having full justice done in this matter and punishing without any mitigation those who may be found guilty of the offenses committed on that date.

The good name of justice is involved in it, and, for that reason, I hope that you as representing the prosecuting department will avail yourself of all the evidence that appears in the report, and of all the other elements that you may use and will ask for the indictment of the person or persons who may be found guilty, and, if there was not enough evidence therefor, which I do not think probable in view of the statements made by the American authorities, you will ask that the proceedings that you may deem proper be carried out for bringing about an early light on the facts and the resulting punishment on those who may be responsible.

I avail [etc.]

E. T. LEFEVRE

[Subinclosure 2—Translation]

Sr. Lefevre to Sr. Cervera

Personal

PANAMA, May 8, 1916.

DEAR FRIEND: I take the liberty of forwarding herewith to you a copy of the translation of a note sent me by the American Minister on the subject of the proceedings set on foot on account of the events which took place in Colon on April 2, 1915, on the merits of which you are called upon to decide as the Acting Superior Judge. The inquiry ordered by Governor Fernandez has already been delivered to the Court, as I understand.

The Government is particularly interested in having full light thrown on the event, as a result of which a corporal of the American Army died and several Panaman and American citizens were also wounded and in having the weight of justice fall upon those who may be found guilty. The good name of our country is involved therein since the Government of the United States has charged us with negligence in the performance of our international duties on account of our failure to punish the guilty in other similar instances that previously took place and has even claimed that we are prejudiced against American citizens and so therefore do not punish those who killed or wounded them.

In view thereof, as a Panaman and as your friend, I take the liberty of urging you to bring into play all the evidence that is found in the proceedings carried on in connection with the said disturbances and devote your whole well known intelligence, good will and patriotism in arriving at a clearing up of the events and consequent punishment of the guilty.

E. T. LEFEVRE

[Subinclosure 3—Translation]

The Minister for Foreign Affairs to the Attorney General

MINISTRY OF FOREIGN AFFAIRS,
Panama, May 9, 1916.

MR. ATTORNEY GENERAL: I am sending you a copy of a note which the American Minister has sent to me in relation to the investigation commenced regarding the incident which occurred in Colon on April 2, 1915.

As the investigation carried on by Governor Fernandez has now ended and the summary was remitted today to the Superior Justice, as I understand it, and you now have to give your opinion on the matter, permit me to remind you that the Government is especially interested in having full justice done in this matter punishing without moderation of any kind, those who may be guilty of wrongs committed on that day. The good name of justice is compromised in this, and, for that reason, I hope that you, as representative of the Ministry of Justice, making use of all the proofs appearing in the summary and all other elements which can be utilized, will demand the indictment of him or of those who are guilty, and, if there should not be sufficient proof for this, which I do not believe probable, as declared by the American authorities,—you will demand that some agreement be reached which will conveniently consider the quick settlement of these deeds and duly punish those who may be responsible.

I take this opportunity [etc.]

E. T. LEFEVRE

[Subinclosure 4—Translation]

The Minister for Foreign Affairs to the Superior Judge

PANAMA, May 8, 1916.

MY DEAR FRIEND: Permit me to enclose a copy of a note sent to me by the American Minister in relation to the investigation of the incidents which occurred in Colon on April 2, 1915, about whose merits you are called to decide, in your character of Superior Judge *ad interim*. The investigation by Governor Fernandez has already been sent to the Court, as I understand it.

The Government is especially interested in having light on this matter, which resulted in the death of a corporal of the American army, and the wounding of several Panaman and American citizens, and it is hoped that justice will fall on those guilty. The good name of our country is found compromised in it, now that the Government of the United States has accused us of negligence in the fulfilment of our international duties for the reason that no one has been punished for the other similar incidents which have occurred in the past, and that we have discriminated against the citizens of the United States and have not punished them for causing the death and woundings of their citizens.

In view of this, as a Panaman and as a friend of yours, permit me to urge you, to make use of all the proof which may be found in the process of said riot, to dedicate all your intelligent knowledge, good will and patriotism to succeed in clearing up those incidents and consequently punish those guilty.

I take this opportunity [etc.]

E. T. LEFEVRE

File No. 319.1123L25/40

The Secretary of State to Minister Price

No. 249

DEPARTMENT OF STATE,
Washington, May 12, 1916.

SIR: The receipt is acknowledged of your despatch No. 907, of April 24, 1916, transmitting a copy of a letter from Brigadier General C. R. Edwards, relative to the attempted identification by American soldier witnesses of Panaman policemen involved in the Colon riots.

You will advise the Foreign Office that the continued dereliction of the Panaman authorities in dealing with the investigation of occurrences which have involved death and injury to American citizens in Panama is regrettable and the more so as past experience has shown that dereliction of this nature is not unlikely in such cases.

The facts that over a year has elapsed since the Colon riot of April 2, 1915; that no investigation of a vigorous and prompt character has been had of the affair; and that so far as this Government is informed no participant therein has been placed on trial, taken in connection with the circumstances of the affair, would sufficiently justify a demand for an indemnity for the American citizens killed and wounded by the Panaman police in that riot.

However, before presenting such demand, and with a view to affording a further opportunity for action by the Government of Panama which might be considered as bearing on the question of the amount of indemnity, it has been decided to await for a brief time the outcome of any action which the Government of Panama may conclude to take in the way of prosecuting the participants in the disturbance mentioned.

I am [etc.]

For the Secretary of State:
FRANK L. POLK

File No. 319.1123L25/39

The Secretary of State to Minister Price

No. 251

DEPARTMENT OF STATE,
Washington, May 17, 1916.

SIR: Receipt is acknowledged of your despatch No. 901 of April 20, 1916, transmitting a copy of a letter from Brigadier General C. R. Edwards, Military Commander of the Canal Zone, relative to the case of one Carlos Nunez, who was placed under arrest at the instance of our authorities last year under the charge of participating in the Colon riot of April 2, 1915.

In view of the statements made by General Edwards as to the unsatisfactory manner in which this case has been handled, the Department deems it advisable that you carry out the suggestions of General Edwards as to the representations to be made to the Foreign Office.

I am [etc.]

For the Secretary of State:
FRANK L. POLK**DISARMAMENT OF THE NATIONAL POLICE OF PANAMA OF HIGH-POWER RIFLES¹**

File No. 819.1052/61

Chargé Spencer to the Secretary of State

[Extract]

No. 773

AMERICAN LEGATION,
Panama, January 14, 1916.

SIR: I have the honor to enclose herewith copy of a letter of yesterday's date received this morning from Governor Goethals. It refers to the presence at a fire two days ago in this city of several Panaman policemen patrolling with rifles with bayonets attached. The fire occurred at 4.30 in the morning and as there was a considerable blaze in the heart of the city, the reserves of the police force were immediately called and responded armed with rifles. This is in contradiction to the verbal assurances of the Panaman Minister for Foreign Affairs, as, also, in contradiction to the Foreign Office letter from Señor Lefevre, which was sent to the Department as an enclosure in despatch No. 680 of November 17, 1915,² in which the Panaman idea was expressed that the police force of the cities of Panama and Colon should only use bayonets in guarding the President's Palace and possibly convict camps, but not in municipal service.

It is a bad sign that after these many weeks of understanding between the provost guard in the red light district and the Mayor of Panama, and, also, by the military authorities, on the zone and the higher Panaman authorities that on the occasion of this fire, which was the first occasion that police reserves have been needed, they should respond with rifles and bayonets, an act directly in violation of all the verbal agreements.

I have [etc.]

WILLING SPENCER

¹ Continued from For. Rel. 1915, p. 1221.² Not printed.

[Inclosure—Extract]

Governor Goethals to Chargé Spencer.

BALBOA HEIGHTS, January 13, 1916.

SIR: With reference to our correspondence regarding disarming the Panama police force of the high-power rifles used by them on certain occasions, I beg to state that I noticed a couple of Panaman policemen yesterday patrolling in the vicinity of the fire opposite the Panama Railroad station with rifles. * * *

Respectfully,

GEO. W. GOETHALS

File No. 819.1052/63

Chargé Spencer to the Secretary of State

No. 777

AMERICAN LEGATION,
Panama, January 22, 1916.

SIR: With reference to the subject of the carrying of high power rifles as a regular equipment by the Panaman police, as discussed in my despatch No. 773 of January 14 last, I have the honor to herewith enclose a copy of a letter under date of January 20 last, received this morning from Governor Goethals, in which he informs me that in response to a recent fire alarm, members of the Panaman police force appeared on the scene with high-power rifles and ammunition belts, and that Commander Estripeaut, the Chief of Police was present and in charge of this squad.

Governor Goethals writes that this information is furnished to me in order that I may report the same to the State Department, in connection with the Department's recent inquiry concerning the statement contained in Señor Lefevre's letter to the American Minister, to the effect that peremptory orders had been given prohibiting the Panaman police to respond to fire and riot calls armed in this manner.

I have [etc.]

WILLING SPENCER

[Inclosure]

*Governor Goethals to Chargé Spencer*THE PANAMA CANAL ZONE,
Balboa Heights, January 20, 1916.

SIR: Referring to previous correspondence with reference to the disarmament of the Panaman police, the Acting Chief of the Police and Fire Division has advised, under date of January 18 that, in answer to a fire alarm turned in from the corner of Avenida B and 19th Street, Central, Panama, at 12:35 p. m., of that date, members of the Panaman police force appeared on the scene armed with high-power rifles and ammunition belts, the Comandante being present and in charge.

This information is furnished you in order that you may report the same to the State Department, in connection with the Department's recent inquiry concerning the statement contained in Sr. Lefevre's letter to the American Minister, to the effect that peremptory orders had been given prohibiting the Panaman police to respond to fire and riot calls armed in this manner.

Respectfully,

GEO. W. GOETHALS

File No. 819.1052/55

The Secretary of State to Minister Price

No. 242

DEPARTMENT OF STATE,
Washington, April 15, 1916.

SIR: Referring to previous correspondence relative to the disarmament of the Panaman police, you are informed that the Department has concluded, after careful consideration of the information before it, that the continued use of high-powered rifles by the police of the cities of Panama and Colon, or the storage of these rifles at any place easily accessible to the police, constitutes so great a source of danger that this Government finds it necessary to bring the matter once again in all earnestness to the attention of the Government of Panama.

As regards the assurance given by the Minister for Foreign Affairs in his note of November 12, 1915,^a that the police would not use these rifles in municipal service, the fact that the police appeared armed with these rifles during the fire which occurred in Panama city on January 12 last, has clearly shown how ineffectual have been these orders mentioned by Dr. Lefevre. Moreover, it is not necessary that the police of the cities of Panama and Colon should receive military instructions in the use of rifles, nor that arms of this character should be used for guarding prisoners, as shotguns are believed to be far more efficient for this purpose.

The Department, therefore, directs you to present a formal demand upon the Panaman Government for the immediate disarmament of the police within the cities of Panama and Colon, of high-powered rifles. You will also inform the Minister for Foreign Affairs that it would seem most advantageous that these rifles should be stored by the military authorities of the Canal Zone and held by them for delivery to the Panaman Government, in the event of any occurrence which would make the use of these rifles advisable in the opinion of both Governments.

If the military authorities of the Canal Zone, which you may consult in this connection, find no objection, a few of these rifles might be made available for the use of the guard of honor in the presidential palace at Panama.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 819.1052/81

Minister Price to the Secretary of State

[Extract]

No. 931

AMERICAN LEGATION,
Panama, May 12, 1916.

SIR: There is enclosed herewith a copy of my note to the Panaman Foreign Office framed in accordance with instruction No. 242 of April 15.

I have [etc.]

WM. JENNINGS PRICE

^a For. Rel. 1915, p. 1233.

[Inclosure]

Minister Price to the Minister of Foreign Affairs

F. O. No. 304

AMERICAN LEGATION,
Panama, May 9, 1916.

EXCELLENCY: Confirming our conference in the matter I have the honor to advise your excellency that my Government has instructed me to inform your excellency's Government that, after careful consideration, it has definitely concluded that the continued use of high power rifles by the national police of Panama in the cities of Panama and Colon, or the storage of these rifles at any place accessible to said police, constitute so great a source of danger that it finds it necessary to bring the matter now again in all earnestness before your excellency's Government, and to repeat the demand finally (presented by my note No. 247 of October 15, 1915,⁴ to which reference is made) for the disarmament of said police of such firearms.

With reference to the assurance given by your excellency in your note of November 12, 1915,⁵ relating to this matter that the police would not use these rifles in municipal service, the Department of State of my Government calls attention to the fact that the police appeared armed with these rifles during the fire in the city of Panama on January 12 last, and that this has clearly shown how ineffectual have been these orders mentioned by your excellency in said note. Moreover, it is plain that the necessity does not exist that the police of these cities should receive military instruction in the use of rifles, nor that arms of this character should even be used for guarding prisoners, as shot-guns are far more efficient and serviceable for such a purpose.

In view of the unfortunate experiences of the past and for the purpose of better safeguarding life and preserving peace and order, I am directed formally to demand the immediate disarmament of the said rifle equipment and that only pistols shall hereafter be available for the use of said police. The guard of honor in the presidential palace does not come within the provisions of this demand,—the retention of rifles by them being agreeable to my Government. As to the guards for the prison my Government expresses the willingness that shotguns may be used by them in place of the rifles.

Brigadier General C. R. Edwards, Military Commander of the Canal Zone, reports that he has dry and safe storage room for these rifles where they may be held for delivery to your excellency's Government in the event of any occurrence which would make the use of them advisable in the opinion of both Governments.

I take [etc.]

WM. JENNINGS PRICE

File No. 819.1052/70

Minister Price to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Panama, May 12, 1916.

Department's instruction No. 242 regarding disarmament police complied with by note date of May 9. I conferred with Panaman Minister for Foreign Affairs about the same on Sunday. He requested postponement of note last Tuesday stating that on Monday they were planning to issue decree transferring present chief of police to the consulate at New Orleans and employing an American in connection with the corps. This has not been done. I visited Panaman Minister for Foreign Affairs on Wednesday finding Counsellor of the Foreign Office who is the administration candidate for presidency and Panaman Minister to Washington conferring with him.

⁴ For. Rel. 1915, p. 1229.⁵ Id., p. 1283.

I was requested to hold conference with the Minister for Foreign Affairs and Panaman Minister to Washington last night having with me Generals Goethals and Edwards if I desired. A short time before hour for the conference which the Generals had arranged to attend with me a copy of cablegram of Panaman President to President Wilson² was delivered to me by the Assistant Secretary of Foreign Affairs saying they would like postponement of conference until they received response to cable. * * *

PRICE

File No. 819.1052/70

The Secretary of State to Minister Price

[Telegram]

DEPARTMENT OF STATE,
Washington, May 12, 1916.

Your May 12. You will immediately inform the Government of Panama that this Government expects immediate compliance with its demand for the complete disarmament of police in Colon and Panama of high-powered rifles.

LANSING

File No. 819.1052/72

Minister Price to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Panama, May 13, 1916, 10 p. m.

Panaman Minister for Foreign Affairs has just now notified me that the rifles will be delivered to us requesting me to say to the Department that it is done under protest and because Panama is unable to resist.

Generals Goethals and Edwards and I will arrange details on Monday for taking the rifles during the day.

Department's May 12 complied with this morning. An answer was promised after luncheon and following a Cabinet meeting. Instead a meeting of Panaman citizens was convoked including leading members of opposition lasting from four until seven thirty. Mild sensation created but no ugly incidents. Opposition favored delivery without protest.

PRICE

File No. 819.1052/74

AMERICAN LEGATION,
Panama, May 15, 1916.

After conferring for two hours today with Panaman authorities Generals Goethals, Edwards and I agreed that the [omission] might box rifles, having to have boxes made, and deliver them to Panama Railroad Company not later than next Saturday to be sent Panama consul, New York City, for sale; that they exchange better ones for old in the hands of police outside of Colon and

² Not printed.

Panama, that 100 might be retained for the use of prison guards until a shipment of 125 shotguns arrive which were ordered by Goethals for them yesterday.

Since Saturday they have stored about 120 rifles at presidential palace and a persistent appeal has been made to us to permit them to retain all of them, and then as many as 50 for guards of honor Panaman President. We have refused to agree to retention of more than 25.

PRICE

File No. 819.1052/75

AMERICAN LEGATION,
Panama, May 20, 1916, 8 p. m.

Delivery rifles in accordance with my telegram of May 15, completed. * * *

PRICE

STATUS OF THE PANAMA RAILWAY COMPANY

File No. 819.77/232

The Minister of Panama to the Secretary of State

[Translation]

No. 235

LEGATION OF PANAMA,
Washington, February 28, 1916.

EXCELLENCY: Ever since the Government of the United States undertook to build the canal across the Isthmus under the treaty concluded with the Republic of Panama on November 18, 1903, and acquired by purchase all the shares of the transportation company organized in the State of New York under the name of the Panama Railway Company, the legal existence of and the rights and privileges claimed by that company have been, directly and indirectly, the source of differences between the two Governments. My Government deems it expedient, in order to prevent a continuation of a condition of things that has been going on for ten years and more, that the two Governments should bring to a final discussion all the questions related with the Panama Railway Company and arrive, through the diplomatic channel if possible, or by arbitration, at a clear determination of the legal status of the company, of the rights and privileges that it still possesses, and of the obligations it owes to the Republic of Panama.

The Railway across the Isthmus was built by the Panama Railway Company under the concessions granted in 1849 by the Government of the Republic of New Granada, modified and extended by the United States of Colombia in 1867.

Panama's secession in 1903 transferred to the new Republic the rights held over the Panama Railway by Colombia in accordance with the contracts then in force, and on that account, when the Canal Treaty was concluded between Panama and the United States, Panama had a perfect right to agree that the Government of the United States could purchase the railway establishment that the Canal building operations demanded.

The Government of the United States acquired the railroad by purchasing all the shares of the company and thus was the management of the concern turned into the hands of the Canal authorities. This last is the circumstance that gave rise to all existing difficulties and differences. As the directors of the Panama Railway Company hold the same high office in the Panama Canal and are public officers of the Government of the United States so great a confusion has been injected in the relations and interlocking of the two administrations that it is difficult at times to tell in which capacity the said officials are acting.

The concrete questions that have thus far arisen between the Government of the Republic and the Panama Railway Company are in the domain of law, revenue and economics and I will relate a few of them simply to emphasize the necessity of reaching some agreement between the two Governments touching the legal status of the company.

The railway company claims the right to engage in any line of business within the Republic of Panama and accordingly runs steamers between Colon and New York, had fitted up and is conducting hotels at Colon and Panama, has established and is operating public laundries and livery stables; has an ice factory in operation and would build a seltzer water factory, and, lastly, as the latest reports have it, is also about to have pasture grounds for the fattening of cattle.

The question springing from these facts is: Does the Panama Railway Company hold, under the contracts made with the Republic of Colombia and conformably to the charter granted it by the Legislature of the State of New York in 1849, the right to engage in business that is not strictly transportation appertaining to a railroad company?

My Government contends that it does not. My Government contends that the Panama Railway Company is not authorized by its contracts and privileges to invade the field of business other than that of transportation over the road it owns, and above all, contends that the said company shall not be permitted to avail itself of the advantages derived from its monopoly of the transportation business to enforce discriminating tariffs which enable it to crush competition in any line of business it may choose to enter. Numberless are the instances that my Government could cite to prove that the railway company is taking undue advantage from its status of common carrier to ruin the business that some private parties have built up and take possession of it; but the case of ice manufacturing will suffice as an instance for the present. The Panama Railway Company, as a common carrier, charges the Panama Railway Company, as an ice manufacturer, sixty cents, American currency, for carrying one ton of that product, and charges another ice manufacturing company in Colon *ten dollars* a ton.

My Government regards the attitude of the Panama Railway Company as one that is wholly inadmissible. A railway company is a common carrier but not the only concern monopolizing all the economic activities of a country. The arguments now advanced by the said company in support of its launching into the lines of business above mentioned at Panama and Colon would also warrant it in

extending its field of operation to the cities and towns of the Republic of Panama; in opening a steamship line between our ports on the Pacific; in bringing thither automobiles for passengers and freight; in opening hotels, theaters and even gambling houses; in establishing laundries and stables; in erecting plants for the manufacture of Seltzer waters and liquors; in keeping pasture grounds, fattening cattle, and erecting slaughter houses. All this could be done if the right which it claims to enjoy were admitted, but my Government denies that right and feels sure that the foregoing statement of facts will suffice to secure from Your Excellency's Government recognition of the justice of our position.

But this is not all. If the Panama Railway Company would offer to engage in any line of business within the Republic on the same conditions as private merchants and concerns, that is to say without advantage or favor, the evil would not be so great from the standpoint of economics. But as a matter of fact the company, in its hotel, steamship, laundry, stable and other business claims the same favors and exceptional franchises that the Government of Colombia granted, solely and exclusively, to the common carrier, that is to say, claims that it may import without payment of duties to the Republic, all the appliances and raw material needed in its new trade and refuses to pay the national and municipal taxes that are paid by the concerns or merchants in that trade. It opens, for instance, a large hotel in the city of Colon, where guests are admitted as in any other hotel in the city and in which it uses supplies imported for the Government of the United States duty free. Is there any reason why that hotel, open to the public, should refuse to pay the same taxes as the other hotels of Colon? Is there any reason why that hotel which runs a public billiard room should refuse to pay the municipal tax levied on all the others in the city? Is it fair, on the other hand, that the said company should engage in the laundry and stable business, without paying taxes of any kind when all other private persons in that business pay for their respective license?

The Panama Railway Company is relieved from the payment of two classes of duties under Articles 17 and 18 of the contract of 1867 entered into with the Government of Colombia. Those articles read as follows:

Art. 17. The company may freely import into the Isthmus, without payment of duties or taxes of any kind, all the implements, machinery, iron work, material, supplies and manufactured articles intended for the building, operation and maintenance of the railroad and the feeding of its employees.

Art. 18. The company is exempted from the payment of national, municipal, state or any other duties or taxes on the railroad, its warehouses, wharves, engines and other works, things and effects of any kind belonging to it which, in the judgment of the Executive Power, are needed for the operation of the said railroad and its dependencies.

As will be seen, absolute exemption from the payment of duties covers the railway, that is to say, the track, warehouses, wharves and engines, and in addition, those works, things and effects of any kind belonging to the Company which in the judgment of the Executive Power are needed for the operation of the railroad and its dependencies.

In spite of this, the railway company refuses to pay any kind of taxes to the Republic and city governments of Panama and Colon, arguing in some cases that it is exempted from payment by the contract of 1867 and declaring in other cases that the company is in reality the Government of the United States and as such is exempted from the payment of duties by the Canal Treaty. This anomalous situation must not endure. If the railway company actually exists as a lawful corporation, its existence must rest on the charter granted by the Legislature of the State of New York on April 7, 1849, and consequently the company must confine itself to the business and pursuits enumerated in the articles of incorporation. The first section of the said instrument reads as follows:

William H. Aspinwall, John L. Stephens, Henry Chauncey, James Brown, Cornelius W. Lawrence, Gouverneur Kemble, Thomas W. Ludlow, David Thompson, Joseph B. Varnum, Samuel S. Howland, Prosper M. Wetmore, Edwin Bartlett, and their partners, heirs and assigns, are by these presents constituted into a corporation styled the Panama Rail Road Company with the object of building and maintaining a railroad with one line or more and all the buildings, equipment, machinery and accessories, across the Isthmus of Panama, in the Republic of New Granada, in accordance with the concession granted by the said Republic to the said William H. Aspinwall, John L. Stephens and Henry Chauncey and of purchasing and operating all steam or sailing vessels that may be adequate and appropriate for use in connection with the said railway. * * *

The mere reading of that charter of the company is enough to prove that it has no right to engage in any business on the Isthmus other than that of transportation over its railway line and by sea, in connection with the railway. All the other undertakings of the company from 1904 to date are in violation of its charter but even assuming that it may engage in such activities the company as a corporation owing its existence to concessions of the Government of Colombia is held to pay the national and municipal taxes from which it has not been exempted by Articles 17 and 18 of the contract of 1867.

The refusal of the company to pay taxes on the ground that it is not in reality a company but the Government of the United States complicates the condition of affairs to the utmost and makes it rather difficult frankly to discuss the matter.

There is no doubt that the United States Government owns all of the seventy thousand shares that constitute the company's capital, and it may be asserted that the Government, being the only stockholder, is master absolute of the concern.

My Government is inclined to believe that this very circumstance carries the complete undoing of the so-called Panama Railway Company as a corporation in the strict meaning of the law. My Government holds that under the articles of incorporation it is impossible to keep up the fiction of a company whose sole stockholder is the Secretary of War of the United States who in order to keep up the fiction and appoint the 13 directors of the company has to go through the semblance of turning over shares that are not really his to various persons who likewise do not really get them.

From the standpoint of the Republic's interests in matters of economics, industries and revenues, my Government is highly concerned in having that situation cleared up by diplomatic methods if possible or adjusted by arbitration.

I have dealt in this note with the differences arising from the expansion of the commercial and industrial activities of the company and connected with its reluctance to pay any kind of taxes, but there are other matters of exceptional consequence that call for consideration and settlement along with those.

One of these is seriously affecting Colon, the second city of the Republic, and I take the liberty of submitting it as briefly as possible to the consideration of your excellency's enlightened Government.

The Government of Colombia gave the railway company various land grants; some were given outright, others were to revert to the full ownership of the Republic at the expiration of the privilege that is to say in the year 1966. Manzanillo Island on which the city of Colon is built was one of those grants; but on the plea that the concessions did not include the whole island but only that part required for the railroad, General Rafael Reyes instituted an action at law which was finally decided by the decree of the Supreme Court of Justice of Colombia declaring that the Panama Railway Company had usufructuary rights over the whole island, except four hectares, during the whole life of the privilege.

The decree settled with precision two points of the greatest importance at this time.

First. It declared that the lands of Manzanillo Island were public lands belonging to the Nation (Colombia).

Second. It finally determined the character of mere usufruct of the land on the island held by the Panama Railway Company.

And so, when, as a consequence of its secession from Colombia, the Republic of Panama concluded with the United States the Treaty of November 18, 1903, for the construction of the Canal, the land of Manzanillo Island was public land over which the Panama Railway Company possessed usufructuary rights only, and therefore that land is included with the lands that are to revert to the Republic's full ownership as provided by Article VIII of the Treaty which reads as follows:

The Republic of Panama grants to the United States all rights which it now has or hereafter may acquire to the property of the New Panama Canal Company and the Panama Railroad Company as a result of the transfer of sovereignty from the Republic of Colombia to the Republic of Panama over the Isthmus of Panama and authorizes the New Panama Canal Company to sell and transfer to the United States its rights, privileges, properties, and concessions, as well as the Panama Railroad and all the shares or part of the shares of that company; but the public lands situated outside of the Zone described in Article II of this treaty now included in the concessions to both said enterprises and not required in the construction or operation of the Canal shall revert to the Republic of Panama except any property now owned by or in possession of said companies within Panama and Colon or the ports or terminals thereof.

The greater part of Manzanillo Island is outside of the Canal Zone and as they are public lands they must revert at once to the full ownership of the Republic.

The railway company has nevertheless remained in possession of the island exercising there the power conferred upon it as lessee of nearly all the building lots in the city of Colon, and that situation has been the indirect cause of the fires that have ravaged the city periodically. In fact, with the exception of two or three lots held in fee simple by private persons who owned them through

purchase from the former sovereign State of Bolivar and of those which the Government reserved to itself by the contract of 1867, all the other lots in the city are leased to private persons to build on, by reason of the fact that the railway company was before and is all the more unable now to give any one full title to any building lot in the island. The result is that house owners in Colon do not own the land; they merely lease it under so precarious conditions that they were always constrained to build frame houses for fear of losing their capital, if they invested it in substantial fire proof buildings, from a whim of any high official of the railway who might cancel the contract and order the removal of the building. Such a situation must clearly be brought to an end if the city of Colon is to develop and prosper.

My Government sees but one solution: the sale of the city lots to the inhabitants so that they may feel safe and will no longer fear to build valuable property.

I have laid before your excellency the main questions pending between my Government and the Panama Railway Company. Owing to the nature of those questions, and convinced as it is that it stands on clear clauses of the Canal Treaty and of the contracts between the Republic of Colombia and the Panama Railway Company my Government doubts that they can be solved otherwise than by arbitration and considering that both countries are signatories of the Convention for the pacific settlement of international disputes signed at The Hague in 1907, it regards reference of those questions to arbitration as the wisest course.

For greater clearness I beg leave to submit to your excellency an outline of the questions that may be referred to arbitration.

FIRST MAIN QUESTION

Does the Panama Railway Company exist as a legal corporation conformable to the charter granted it by the Legislature of the State of New York on April 7, 1849?

Subsidiary questions flowing from the main question

(a) If the railway company does exist, are the contracts and concessions awarded to it by the Republic of Colombia in force, or no?

(b) May the Company engage in industrial or commercial business other than that of transportation by land and by sea?

(c) What are the taxes and duties from which the said company is exempted by the existing contracts and concessions?

(d) If the Company does not exist, what are the obligations under which the Republic of Panama lies toward the Government of the United States, sole owner of the railway?

SECOND MAIN QUESTION

Is it, or not, the right of the Republic of Panama, under Article VIII of the Canal Treaty, immediately to recover full ownership of the land in Manzanillo Island lying outside of the Canal Zone and on which there stands no building belonging to the Canal or the railway?

Notwithstanding this proposal of arbitration, if the enlightened Government of your excellency believes that the two countries can, without resorting to arbitration, find a friendly and satisfactory mode of settlement of the above-stated questions my Government is ready to enter into negotiations to that end.

I avail [etc.]

EUSEBIO A. MORALES

File No. 819.77/238

The Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, April 29, 1916.

SIR: Referring to your letter dated March 24th, last,¹ inclosing a translation of a note dated February 28, from the Panama Minister, regarding the legal status of the Panama Railroad Company, and to my acknowledgment dated the 31st ultimo,¹ I now inclose herewith a copy of a communication addressed by General Goethals, Governor of The Panama Canal, to the Washington Office of the Canal, dated the 19th instant, with reference to this matter, together with a copy of the inclosure therein referred to, both of which are self-explanatory. General Goethals' letter and accompanying report appear to cover the subject quite fully and completely, and I trust will be of assistance to you.

Very respectfully,

NEWTON D. BAKER

[Inclosure]

Governor Goethals to Chief of Office, The Panama Canal

BALBOA HEIGHTS,
April 19, 1916.

SIR: The receipt is acknowledged of your letter of the 29th ultimo, inclosing translation of a note from the Panaman Minister regarding the legal status of the Panama Railroad Company, on which the Secretary of War desires a full report.

The Panaman Minister's note was referred to Judge Frank Feuille, Special Attorney, for report, and I forward herewith his complete report, which fully covers the situation.

I desire, however, to emphasize the fact that the activities conducted by the Panama Railroad Company are not in competition with the merchants of Panama, since, by an agreement with the Republic of Panama, sales are not made to others than employees of the Canal or Railroad or members of the military forces, without special permission from the proper official of the Republic of Panama, except so far as relates to the sale of supplies to passing ships. The latter was undertaken with the authority of Congressional legislation, to safeguard the interests of commerce against the rapacity of the Panaman merchants. The Railroad, in its sales to ships, sells at a profit, in order to avoid, if that be possible, the condition complained of by the Panaman Minister.

I concur in Judge Feuille's conclusions that, in view of the concessions to the Panama Railroad Company and of the provisions of the Treaty of 1903, the claims of the Panaman Minister are groundless, and that there is nothing open to arbitration.

Respectfully,

GEO. W. GOETHALS

¹ Not printed.

[Subinclosure]

Special Attorney Feuille to Governor Goethals

ANCON, C. Z., April 14, 1916.

SIR: I am in receipt of your reference of the 6th instant with the accompanying documents, your file No. 489, on the legal status of the Panama Railroad. You desire a full report from me.

The Panamanian Minister in Washington, in a communication dated February 28, 1916, to Mr. Lansing, Secretary of State, raises a number of issues respecting the status of the Panama Railroad and its power to engage in certain activities, and the Minister suggests that these issues be adjusted by arbitration if necessary.

The questions he desires to submit to arbitration are the following:

First Main Question

Does the Panama Railway Company exist as a legal corporation conformable to the charter granted it by the Legislature of the State of New York on April 7, 1849?

Subsidiary questions flowing from the main question:

(a) If the railway company does exist, are the contracts and concessions awarded to it by the Republic of Colombia in force, or no?

(b) May the company engage in industrial or commercial business other than that of transportation by land and by sea?

(c) What are the taxes and duties from which the said company is exempted by the existing contracts and concessions?

(d) If the company does not exist, what are the obligations under which the Republic of Panama lies toward the Government of the United States, sole owner of the railway?

Second Main Question

Is it, or not, the right of the Republic of Panama, under Article VIII of the Canal Treaty, immediately to recover full ownership of the land in Manzanillo Island lying outside of the Canal Zone and on which there stands no building belonging to the Canal or the railway?

It is true that the Government of the United States is the owner of the Panama Railroad Company, but it does not necessarily follow that the company ceased to exist as a corporate entity when the United States acquired the ownership. As long as the corporation is not dissolved by express declaration of the stockholders or by proceedings in the State of New York, instituted in accordance with the laws of the State, no one can question the legal existence of the Panama Railroad Company. The company was organized under a special act of the Legislature of New York, and only the sovereign power of that State has a right to say whether or not the company has done anything to forfeit its charter. The stockholders also may terminate the existence of the company, by formal declaration.

As the Republic of Panama cannot question the legal existence of the Panama Railroad Company, there does not seem to be anything to submit to arbitration on that score.

The activities of the Panama Railroad, other than the transportation of freight, are carried on mostly in the Canal Zone. Whatever the railroad company may do in the Canal Zone is not subject to question on the part of the Republic of Panama. In connection with this I would say that the commissary and subsistence business of the Panama Railroad is conducted in the Canal Zone, although some of the goods are delivered in the two Panaman cities to employees of the Canal and the railroad, and others entitled to commissary privileges. The right of the Panama Railroad to conduct commissaries, and even to fatten cattle in the Canal Zone, is one that cannot be disputed by the Panaman Government, and consequently there is no issue here that could be properly submitted to arbitration.

The Panama Railroad Company is authorized by its charter to operate a railroad across the Isthmus, and to purchase and navigate steam and sailing vessels, as may be proper and convenient, to be used in connection with the railroad. The charter also authorizes the corporation to purchase from the concessionaires, all the rights, privileges and immunities granted to them by

the Republic of New Granada, and also to purchase the lands granted to said concessionaires by the said Republic, and to receive conveyance of and hold the same in like manner as the said concessionaires then did or could do, and to lease or sell and convey any of said lands which the company may deem necessary, to retain and to build and construct all buildings, piers, docks, basins, and harbors on said land, as the corporation may deem expedient, in like manner as the said concessionaires could do under the said grant.

It will thus be seen that the Panama Railroad is authorized by its charter to engage in all of the activities authorized by the grant from the Republic of New Granada, now Colombia, to the original concessionaires, William H. Aspinwall, John L. Stevens, and Henry Chauncey.

By the terms of the concession which was assigned to the Panama Railroad Company by the concessionaires, the company is not only authorized to maintain and operate a railroad, with all the accessories that may be necessary to its proper management, but in addition the company was granted the privilege of using the ports of the two ends of the railroad and to construct and maintain docks, piers, warehouses, and establishments of all kinds, needed in the operation of the railroad and of the other utilities authorized by the grant.

I may say that the railroad company was expressly authorized to establish and maintain hotels or inns, by virtue of Article 27 of the concession of 1850. The Spanish text uses the word *Posada*. The English text of this article, as given by Mr. Bristow in his report to the President, uses the word *Board*, but the translation is inaccurate. *Posada* means an inn or lodging house or hotel.

All of the property of the Panama Railroad Company is exempt from the payment of taxes, national, state, departmental, and municipal, by the express terms of the grant.

The Panama Railroad Company has not only operated the road, its steam and sailing vessels, docks, piers, harbors, warehouses and other accessories relating to traffic generally, but it has maintained hotels, commissaries, ice plant, and electric light plants, for many years, long prior to the execution of the Canal Treaty between the United States and the Republic of Panama. The Government of Colombia and the Government of Panama, and the various political subdivisions of the two sovereignties, have dealt with the Panama Railroad in connection with all of the utilities and services above-mentioned, without question.

When Panama entered into the Canal Treaty with the United States, the former relinquished all of its rights in the Panama Railroad Company to the latter, by virtue of Articles 8 and 22 of the Canal Treaty. The rights surrendered included not only those existing at the time, but all rights that might arise in the future, including all reversionary interests in, or claims of Panama to, the property or rights of the railroad company, so that the title of the United States to said property, upon the consummation of the contemplated purchase, should be absolute so far as concerned the Republic of Panama, excepting the rights of the Republic specifically secured under the treaty. It follows that the Republic of Panama at the present time has no right or claim against the railroad, except that accorded to the Republic by virtue of the Canal Treaty.

The Republic of Panama, having surrendered all of its rights in the Panama Railroad Company, present, future, and reversionary, to the United States under the terms of the Canal Treaty, it follows that the Republic of Panama cannot exercise any control over the railroad company by taxation or otherwise that would interfere with the full ownership of the United States in the railroad property and the free use thereof by our Government. This proposition is self-evident.

All of the activities complained of by the Panaman Minister have been conducted by the Panama Railroad Company for over a half century; that is to say from the time the railroad first began to operate across the Isthmus. These various activities have been considerably enlarged, due to the construction of the Canal by the United States under the Canal Treaty. The United States, being the owner of the Panama Railroad, and the owner of the Canal that is being constructed, had a right under the treaty to utilize the Panama Railroad Company as an aid in the construction of the Canal, and it has the same right now to utilize the railroad in all of its activities in the operation of the Canal. Here again it would seem that there is no issue that could properly be submitted to arbitration.

There are some statements of fact in Minister Morales' communication that should be referred to, as they are misleading.

He complains that the railroad company is competing with private business enterprises, and is using the railroad to destroy competition, yet the only case he cites is that of the transportation of ice manufactured by the Panama Railroad commissary. He states that the Panama Railroad Company charges itself sixty cents for hauling the ice, while another manufacturing company in Colon is charged \$10.00 a ton for transporting the ice. The obvious purpose of a charge of sixty cents is to assist in the cost accounting and other bookkeeping operations of the railroad. As a matter of fact it is all for the benefit of the Panama Canal, and the railroad company is used as the agency of our Government. This proposition is self-evident.

I may say, however, that the Panama Railroad Company has not established gambling houses, nor does it contemplate establishing gambling houses, as Mr. Morales suggests the company might do.

I am unable to agree with the view of the Panaman Minister that the Island of Manzanillo will revert to the Republic of Panama upon the termination of the cession to the Panama Railroad Company. Article 8 of the treaty, which Mr. Morales quotes in full, militates against his position. By virtue of that article, the Republic of Panama granted to the United States all rights which it then had or thereafter might acquire, to the property of the Panama Railroad, as the result of the transfer of sovereignty from the Republic of Colombia to the Republic of Panama over the Isthmus of Panama. It is true that Article 8 does exclude from the grant the public lands situated outside of the zone described in Article 2 of the treaty which were included in the concessions to the French Canal Company and the Panama Railroad Company, and not required in the construction or operation of the Canal. These revert to the Republic of Panama. But there is a very important exception here. Any property owned or in the possession of the French Canal Company or the Panama Railroad Company within the cities of Panama or Colon, or the ports or terminals thereof, at the time the treaty was made, passed to the United States. The City of Colon, with the exception of four hectares reserved by the Government of Colombia in the concession, was in the actual possession of the Panama Railroad Company at the time that the Canal Treaty of 1903 was made. Therefore, by force of Article 8, the rights of Colombia or Panama in the City of Colon passed to the United States.

Mr. Morales omitted all reference to Article 22 of the treaty. It reads as follows:

The Republic of Panama renounces and grants to the United States the participation to which it might be entitled in the future earnings of the Canal under Article XV of the concessionary contract with Lucien N. B. Wyse now owned by the New Panama Canal Company and any and all other rights or claims of a pecuniary nature arising under or relating to said concession, or arising under or relating to the concession to the Panama Railroad Company or any extension or modification thereof; and it likewise renounces, confirms and grants to the United States, now and hereafter, all the rights and property reserved in the said concessions which otherwise would belong to Panama at or before the expiration of the terms of ninety-nine years of the concessions granted to or held by the above-mentioned party and companies, and all right, title and interest which it now has or may hereafter have, in and to the lands, canal, works, property and rights held by the said companies under said concessions or otherwise, and acquired or to be acquired by the United States from or through the New Panama Canal Company, including any property and rights which might or may in the future, either by lapse of time, forfeiture or otherwise, revert to the Republic of Panama under any contracts or concessions, with said Wyse, the Universal Panama Canal Company, the Panama Railroad Company and the New Panama Canal Company.

The aforesaid rights and property shall be and are free and released from any present reversionary interest in or claims of Panama and the title of the United States thereto upon consummation of the contemplated purchase by the United States from the New Panama Canal Company, shall be absolute, so far as concerns the Republic of Panama, excepting always the rights of the Republic specifically secured under this treaty.

The article just quoted puts it beyond question that Panama renounced and granted to the United States all of the rights and property reserved in the concessions to the French Canal Company and the Panama Railroad Company which otherwise would belong to Panama at or before the expiration of the terms of each of said concession including all right, title, and interest which Panama then had or might thereafter have, in and to the lands, canal works, property, and rights held by the two companies under their concessions or otherwise. Certainly the reversionary interests of Colombia or of Panama in the City of Colon were included in the clause of Article 22 which refers to any property and rights which might or may in the future, either by lapse of time, forfeiture, or otherwise, revert to the Republic of

Panama under any contracts or concessions with the two companies. And all of these rights and all of the property, passed to the United States free and released from any present or reversionary interest in or claim of Panama, and the title of the United States thereto became absolute upon the consummation of the purchase by our Government from the French Canal Company and the Panama Railroad Company of all of the right of the said companies.

The Island of Manzanillo was granted to the Panama Railroad Company by Article 10 of the amended concession from the Republic of Colombia, dated 1867. The Colombian Government reserved four hectares from the grant, for the construction of public buildings for offices, school houses, jails, and for other public uses. The Island of Manzanillo was to revert to the Colombian Government upon the expiration of the railroad company's concession. This is one of the reversionary interests held by the Colombian Government which passed to the United States by virtue of Article 22 of the Canal Treaty. The Panaman Government has divided the four hectares of land in the City of Colon into one hundred four lots, of which only the following are occupied by government buildings:

Lot No.	Used for—
183	School
254	Municipal Palace
256	
258	
601	
603	Market
605	
607	
609	
611	
613	Fire station
658½	

In all eleven and one-half lots actually occupied with buildings for public purposes out of the one hundred four lots reserved by the Colombian Government for such purposes. The lots owned by the Panaman Government in Colon, with the exception of the eleven and one-half lots above-mentioned, have been leased to private parties, and until the recent fire in Colon, they were occupied to a considerable extent by inhabitants of the red-light district of Colon, with the consent of the Panaman authorities.

The Panaman Government now has under lease from the Panama Railroad Company eighteen lots, besides a large area occupied by Slifer Park, and the space on the back part of the island occupied by the municipal slaughter house. This makes practically twenty parcels of land occupied by Panamanian authorities under leases or permission from the railroad company. They pay a nominal rental of \$1.00 per annum on eight lots; \$25.00 per annum on one lot; \$60.00 per annum on three lots; and \$96.00 per annum on four lots; these latter rentals being practically nominal in amounts. The only lots for which they are paying the regular rate of rental are 1143 and 1145, occupied by the jail, and lots 1789 and 1791, reserved for municipal building. For these lots the Government of Panama pays a rental of \$50.00 per annum each on Nos. 1143 and 1145, and \$200.00 per annum on No. 1789, and \$100.00 per annum on No. 1791.

The necessity for the leasing of lots from the Panama Railroad by the Panamanian authorities does not seem apparent, in view of the fact that that Government has so many lots to spare of its own in the City of Colon, which it is now leasing to private parties, and which it might utilize for public buildings, as contemplated by Article 10 of the Colombian concession to the Panama Railroad.

The Panama Railroad had been leasing lots in the City of Colon for periods of fifteen to twenty-five years prior to the recent fire. Leases for fifteen years were given to parties who desired to construct lumber buildings, and for twenty-five years to those who agreed to put up masonry, brick, or concrete buildings. The leases contained no provision authorizing the railroad to cancel them. At the end of the period prescribed in the lease the lessee was obliged to remove the improvements placed there by him, unless the Panama Railroad wished to keep them, in which event the railroad company was to pay for the improvements, and in case of disagreement of parties, the value of the improvements was to be assessed by arbitrators.

Since the recent fire in Colon, the Panamanian Government has issued a decree requiring all buildings to be constructed of masonry, brick, or concrete. In order to facilitate a compliance on the part of the people of Colon with the Panamanian decree, the railroad company agreed to renew all leases in the burned area and grant the lessees a full period of twenty-five years under the lease, beginning from the date of the renewal. A provision was inserted, however, to authorize the railroad company to cancel the lease at any time, by paying the lessee for the value of the improvements placed thereon.

There have been numerous fires in Colon. Many of them, however, occurred prior to the date of the Panama Canal Treaty, when it was difficult to fight fires, owing to the fact that the City had no water works. The present water works system was constructed by the Government of the United States, under the Canal Treaty.

I am of the opinion that there is no merit in the complaint of the Panamanian Minister, and I recommend that our State Department be so advised.

Respectfully,

FRANK FEUILLE

File No. 819.77/232

The Secretary of State to the Minister of Panama

No. 79

DEPARTMENT OF STATE,
Washington, May 15, 1916.

SIR: Referring to the Legation's note No. 235 of February 28, 1916, I have the honor to transmit herewith a copy of a letter from Judge Frank Feuille, Special Attorney for the Panama Canal, to General George W. Goethals, U. S. A., Governor of the Panama Canal, relative to the legal status of the Panama Railroad Company.* Governor Goethals concurs in the conclusions of Judge Feuille that, in view of the concessions to the Panama Railroad Company and of the provisions of the Treaty of 1903, the claims advanced are without foundation and there is nothing open to arbitration.

The Department is of the opinion that the authorities of the Panama Canal have made a complete and satisfactory statement in answer to the contentions advanced in the note of Minister Morales.

Accept [etc.]

ROBERT LANSING

* See inclosure to the letter from the Secretary of War of April 29, 1916, p. 949.

SALVADOR

MESSAGE OF PRESIDENT DON CARLOS MELENDEZ TO THE NATIONAL ASSEMBLY

File No. 816.032/16

Chargé Tennant to the Secretary of State

[Extract]

No. 76

AMERICAN LEGATION,
San Salvador, February 21, 1916.

SIR: On Friday morning last, the 18th instant, the National Assembly of Salvador convened and the President of Salvador, don Carlos Melendez, read his Annual Message before said body; copies of said message are herewith transmitted. The ceremony was attended by the Cabinet, the Diplomatic and Consular Corps, the Justice of the Supreme Court and other high functionaries of the Government.

The message begins by a recital of the new conditions brought about by the European War and reference is made to the attitude of our Government in this crisis particularly referring to the attitude of President Wilson in proposing a treaty between all of the Pan American States. Following this President Melendez takes up the general economic situation of the country and emphasizes the fact that Salvador's great agricultural riches have saved what might have been a serious economic situation.

He mentions the cancellation of an old debt to Chile and goes into the relations of Salvador with the United States and mentions especially the McAdoo Financial Congress, the Second Pan American Scientific Congress, and the Pan American Medical Congress. He shows his interest in the Pan American Treaty proposed by President Wilson and commends the same highly.

The rest of the message deals in a general way with the different Ministries and the Departments under their respective charge.

I have [etc.]

HENRY F. TENNANT

[Inclosure—Extract—Translation]

With the Government of the United States of North America our diplomatic relations have still continued close and cordial.

By virtue of an invitation extended to us, we participated in the Financial Conference held at Washington last May, in the Second Pan American Scientific Congress held very recently in that city, and in the Pan American Medical Congress held last June at San Francisco, Cal., in connection with the great Panama-Pacific Exposition.

A few days ago His Excellency President Wilson proposed to us the conclusion with all the American Republics of a treaty in which the high contracting parties solemnly agree to unite in a common and mutual guaranty of territorial integrity and political independence under a republican form of

government. In order to definitely apply this guaranty the contracting governments will undertake to settle all pending boundary or territorial questions either by means of a friendly agreement or by arbitration. It is likewise provided that all questions of whatever character which may arise between two or more of them and can not be settled by ordinary diplomatic action shall, before they cause a breaking out of hostilities or a declaration of war, be submitted to a permanent international investigating commission at least for one year, and if this investigation fails to result in an adjustment of the dispute, the latter shall be referred to arbitration if the matter does not affect the honor, independence, or vital interests of the disputants or the interests of a third party. The proposed treaty likewise embodies an express undertaking not to permit the departure from the respective territories of any military or naval expedition hostile to the established government of any of the contracting nations, besides which the exportation of arms, ammunition, and any other war stores for use in revolts and insurrections is to be prevented.

This pact is very satisfactory and highly significant, setting out as it does to provide that no American power, including the United States, shall acquire any territory in future outside its lawfully established boundaries, for this and nothing else will afford a common guaranty of the territorial integrity and political independence of the nations signing the treaty. Compulsory arbitration as stipulated, even with the ample reservations which restrict its scope, is a very advanced step in international relations and implies evident progress, especially as regards the stronger nations, which have refused on more than one occasion to undertake to submit to absolutely compulsory arbitration. Then the establishment of investigating commissions undoubtedly constitutes a great legal stride in the settlement of international controversies, since it substitutes study and due process of law in lieu of rugged debate, which sometimes becomes strained when the discussion is with the stronger powers. There is no doubt that investigation by a committee of international officials is more apt to lead to good understanding in the most difficult questions and disputes than direct diplomatic negotiations between them, when each of the contending parties endeavors to have its pretensions prevail while weakening those of the adversary.

Consequently this Government looks upon the scheme of the North American Government as a very laudable and sincere effort to maintain peace among the American nations and remove many obstacles from diplomatic relations which prevent good harmony among the nations and engender diffidence and fear, especially when a diplomatic controversy arises with strong governments which are not always willing to acknowledge those possessing inferior means of material defense as being in the right even if they are so.

SPAIN

REMOVAL OF THE REMAINS OF SPANISH SAILORS WHO DIED WHILE PRISONERS IN THE UNITED STATES

File No. 311.523/17

The Spanish Ambassador to the Secretary of State

[Translation—Extract]

SPANISH EMBASSY,
Washington, February 3, 1916.

MR. SECRETARY: I have the honor to inform your excellency that the Government of His Majesty the King of Spain has decided upon the removal of the remains of the thirty-three Spanish sailors who died while prisoners in the United States as members of the crew of Admiral Cervera's squadron and were buried in the Naval Cemetery of Seavey Island.

I should be thankful to your excellency if you would ask your colleague the Secretary of the Navy kindly to order that no obstacle be opposed to the transfer of the remains when the time comes.

I avail [etc.]

JUAN RIAÑO

File No. 311.523/20

The Spanish Ambassador to the Secretary of State

SPANISH EMBASSY,
Washington, February 15, 1916.

MR. SECRETARY: Supplementing my note of the 3d instant relative to the purpose of His Majesty's Government to remove to Spain the remains of the Spanish seamen buried in the Naval Cemetery at Seavey Island, I have the honor to inform your excellency that I am told that the said seamen were buried under numbers and that the names corresponding to every number are recorded at the Navy Department of the United States. I should be much obliged to your excellency if you would kindly procure for me a statement of the names of the said seamen and also let me know whether it is necessary to get a special permit from the Board of Health for the removal of each of the remains or whether the general permit of the Navy Department will suffice.

I avail [etc.]

JUAN RIAÑO

File No. 311.523/18

The Secretary of State to the Spanish Ambassador

No. 481

DEPARTMENT OF STATE,
Washington, February 16, 1916.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of the 3d instant in which you state that the Spanish Government has decided to remove to Spain the remains of thirty-

three Spanish sailors who died while prisoners in the United States as members of the crew of Admiral Cervera's squadron and were buried in the Naval Cemetery of Seavey Island, and ask that the Navy Department interpose no obstacle to the transfer of the remains.

In reply I have the honor to say that the Department is now in receipt of a letter from the Secretary of the Navy, to whom your note was referred, in which he states that his Department has no objection to the transfer mentioned and that it will cooperate in every possible manner with the representatives of His Majesty the King of Spain in removing the remains of the Spanish sailors.

Mr. Daniels points out, however, that the records of the Bureau of Medicine and Surgery show that between the date of the arrival of the first detachment of prisoners, July 11, 1898, and the date of their repatriation, there were thirty deaths.

Accept [etc.]

ROBERT LANSING

File No. 311.523/24b

The Secretary of State to the Spanish Ambassador

No. 4

DEPARTMENT OF STATE,
Washington, March 10, 1916.

EXCELLENCY: The President, having learned from the correspondence between your Embassy and this Department that the Royal Government of Spain has sent to the United States a Spanish transport for the purpose of transferring to Spain the remains of certain Spanish seamen belonging to Admiral Cervera's fleet, who died in the naval hospital at Portsmouth, New Hampshire, and whose bodies were interred on Seavey Island, has directed me, as a mark of respect to the brave men who passed from life while serving their Sovereign and country, and of esteem for the gallant nation and the Royal Government which they served, to apprise you that the Government of the United States will feel honored if the Royal Government of Spain will permit it to undertake all the work of disinterment and removal of the remains of the seamen and their delivery to the officer commanding the transport at such place and at such time as your excellency may designate.

I shall be most happy to hear from you after you have received the instruction of your Government.

Accept [etc.]

ROBERT LANSING

File No. 311.523/27

The Spanish Ambassador to the Secretary of State

[Translation]

SPANISH EMBASSY,
Washington, March 14, 1916.

MR. SECRETARY: His Majesty's Government, to which I immediately upon the receipt thereof made known the contents of your excellency's note of March 10 last and applied for the instructions your excellency asked me to obtain has just directed me, by tele-

graph, to convey to the President of the Republic and to the Government of the United States in the name of H. M. the King and H. M. Government their cordial and sincere acknowledgment of and thanks for the generous offer to attend to the exhumation and removal of the bodies of the Spanish prisoners now buried in Seavey Island until they are delivered to the commander of the naval transport that will carry them to Spain, which offer H. M. Government, with high appreciation of the sentiments of friendship and consideration which prompted it, most gratefully accepts.

The Transport *Almirante Lobo* which has been charged with the duty of carrying the remains to the Peninsula will sail from New York, where she now is, for Portsmouth, N. H., at the end of this month of March; I am not able at this moment to give the exact date of her sailing but shall not fail to make it known to your excellency sufficiently in advance to permit of the necessary arrangements being made for the delivery of the remains to the commander of the transport.

Under the instructions received from my Government, Colonel Don Nicolas Urcullu, Military Attaché of the Embassy, will represent H. M. Government and the Embassy on that occasion.

I avail [etc.]

JUAN RIAÑO

File No. 311.523/27

The Acting Secretary of State to the Spanish Ambassador

DEPARTMENT OF STATE,
Washington, March 22, 1916.

EXCELLENCY: I have been gratified to receive your note of the 14th instant, accepting, on the part of the Royal Government of Spain, the offer made by the Government of the United States to undertake all the work of disinterment and removal of the remains of the Spanish seamen, buried at Seavey Island, and their delivery to the officer commanding the Spanish transport now at New York.

Copies of the Department's note of the 10th and your reply of the 14th instant have been forwarded to the Secretary of the Navy, who is undertaking the arrangements for the transfer of the remains to the custody of the commanding officer of the Spanish Transport *Almirante Lobo*.

Accept [etc.]

FRANK L. POLK

File No. 311.523/31

The Secretary of State to the Spanish Ambassador

DEPARTMENT OF STATE,
Washington, April 8, 1916.

EXCELLENCY: With reference to previous correspondence in regard to the transfer of the remains of the Spanish sailors buried at Seavey Island to the Spanish transport, I have the honor to inform you that appropriate ceremonies will take place at Portsmouth Navy Yard on Wednesday, April 12, and that Rear Admiral Austin M. Knight will represent the Government of the United

States. In addition Mr. Thomas Hinckley, Second Secretary of the American Embassy at Madrid will be present and will represent the Department of State.

Accept [etc.]

For the Secretary of State:
WILLIAM PHILLIPS

File No. 311.523/39

The Secretary of State to the Spanish Ambassador

No. 503

DEPARTMENT OF STATE,
Washington, April 11, 1916.

EXCELLENCY: The Department has received from the Navy Department a letter, dated the 8th instant, with an accompaniment of 31 Spanish flags which have been used for the past eight years by the commanding officer of the U. S. S. *Southery* at the Portsmouth Navy Yard in decorating on the National Decoration Day of the United States, the graves of the Spanish sailors who were buried at the Portsmouth Navy Yard.

The Acting Secretary of the Navy states that the Navy Department desires that these flags may be forwarded to you as a token of the regard in which the Spanish navy is held by the officers and men of the United States Navy.

I take great pleasure in forwarding the package containing the flags as an accompaniment to this note.

Accept [etc.]

ROBERT LANSING

File No. 311.523/39

The Spanish Ambassador to the Secretary of State

[Translation]

SPANISH EMBASSY,
Washington, April 13, 1916.

MR. SECRETARY: With your excellency's courteous note of the 11th of this month, I have had the honor to receive the package sent me by your excellency containing 31 Spanish flags used by the commander of the U. S. S. *Southery* in the last eight years to decorate on the National Decoration Day the graves of the Spanish sailors buried at the Portsmouth Navy Yard.

In acknowledging the receipt of your excellency's note and of the aforesaid package, I wish to discharge the sacred duty of asking you kindly to tell the Secretary at the head of the Navy Department, in my name, that his delicate thought in delivering to me so eloquent a token of the sentiments which animate the navy of the United States toward Spain and the Spaniards who lost their lives in the discharge of their duty will arouse in H. M. the King of Spain and his Government as they have aroused in the heart of the representative of Spain to the United States sentiments of appreciation and gratefulness that it is difficult adequately to express.

I avail [etc.]

JUAN RIAÑO

File No. 311.523/39

The Secretary of State to the Spanish Ambassador

DEPARTMENT OF STATE,
Washington, April 19, 1916.

EXCELLENCY: I have been gratified to receive your note of the 13th instant, conveying an expression of your sincere thanks, as well as those of your Government, to the Secretary of the Navy for his courtesy in forwarding the Spanish flags used during the past eight years in decorating on May 30th the graves of the Spanish sailors who were buried on Seavey Island.

I have taken pleasure in forwarding to the Secretary of the Navy a copy of your note.

Accept [etc.]

ROBERT LANSING

File No. 311.523/41

The Secretary of the Navy to the Secretary of State

NAVY DEPARTMENT,
Washington, April 19, 1916.

SIR: I have the honor to inclose herewith, for your information, certain correspondence received from the Commandant of the Portsmouth Navy Yard relative to the transfer of the remains of Spanish sailors on Wednesday April 12, 1916.

Sincerely yours,

JOSEPHUS DANIELS

[Inclosure]

Captain Howard to the Secretary of the Navy

U. S. NAVY YARD,
Portsmouth, N. H. April 13, 1916.

The remains of the thirty-one (31) Spanish sailors who died at this yard while prisoners of war were transferred to a representative of the Spanish Embassy at 11:30 a. m., April 12, 1916.

The thirty-one metal lined and hermetically sealed caskets had rested in the mortuary chamber of the naval hospital since the remains were exhumed in March, covered by the Spanish Ensign and guarded by U. S. marines. This chamber was visited by the Spanish military and naval representatives, who placed wreaths on the caskets.

A funeral escort, composed of band, a battalion of one company of marines and three companies of blue jackets from the *Washington*, *Sacramento* and *Southery*, followed by four hearses with thirty-two body bearers, and six carriages containing foreign and our own officials left the hospital at 10:30 a. m. The line of march was from the hospital to the *Almirante Lobo*, which was moored alongside the Flat Iron pier. Here the battalion faced the ship, the hearses passing in front of the battalion, which was at Present Arms, and each hearse unloaded by our body bearers, the caskets being placed on a low platform just abaft the gangway of the *Almirante Lobo*.

Admiral Knight then made the official delivery, which was replied to by Colonel Urcullu; a short prayer was then read by a Catholic Priest, followed by the band playing the Spanish national air, then three volleys from the marines and taps sounded on the bugle, which concluded our part of the ceremonies.

The following officials were present:

Colonel Nicolas Urcullu, Spanish Army, representing the Spanish Embassy;
Mr. Thomas Hinckley, representing the Department of State;
Admiral Knight, U. S. N., representing the Navy Department;
Commander Luis Suanzes, and officers of the *Almirante Lobo*;
The Commandant, and officers of Portsmouth, N. H. Navy Yard;
Captain Wallace and Aid, from Fort Constitution.

W. L. HOWARD

Admiral Austin M. Knight, representing the Navy Department, delivered the following address, delivering the Spanish bodies over to that Government:

Colonel Urcullu, Captain Suanzes and men of the Spanish Navy:

As the representative of my Government and especially of the Department of the Navy, I am charged with the duty of transferring to your custody the remains of these brave men, your countrymen, whose fate it was to die far from the land which they loved and which they honored by their valor. They have slept for many years in the soil of an alien, though a not unfriendly country. Today they enter upon their journey home. We rejoice with you that this is so; and yet we would not have you feel that we have thought of them as strangers in these years through which they have rested in this, to them, a strange land. What we could do we have done, to create about their resting place an atmosphere not of respect alone but of affection. Year after year in honoring our own heroes we have honored them, with little thought of any difference. Year after year on our Memorial Day, the flag they loved has been planted above their heads. The time has come when they are to pass beneath the folds of that flag never again to leave its shelter. And so to you who represent the great and gallant nation to which they and the memory of their deeds belong, we commit their sacred dust. Bear it lovingly across the sea, and with it bear to your Sovereign and your people the assurance of the heartfelt sympathy of the President and people of the friendly nation in whose care you have left it so long. May your voyage be happy and your home coming marked by brighter skies than you have found in our cold northern clime. You will believe, I know, that our climate does scant justice to the warmth of our friendship and our sympathies.

Col. Urcullu made the following reply in behalf of the Spanish Government:

In the name of the Government, His Majesty, the King of Spain and of his Ambassador to the United States, I have the unmerited honor of receiving the remains of these thirty-one sailors who died on American soil.

These special honors which have been conceded to them by order of the President of the United States and his Government, and to which the American Navy and the people of Portsmouth have so brilliantly contributed have moved me deeply, for, being not only a testimony of respect to the humble sailors which in the flower of their youth have lost their lives in the service of their country, it is also a proof of the friendly relations between the American and Spanish nations.

For almost eighteen years these bodies have reposed here, cared for and honored by the Navy of the U. S. and by the American people. And now that my King and my Government have ordered the conveyance of these bodies that they may rest forever in the land which has witnessed their birth, I believe that in offering my deep gratefulness to the American President, Government and Navy for the care which they have given and the honor which they, upon this occasion attributed to them; in doing this, then, I believe that I manifest faithfully the sentiment of my King, of my Government and of the Spanish Navy.

ISSUANCE OF EXEQUATURS TO AMERICAN CONSULAR OFFICERS IN THE SPANISH ZONE IN MOROCCO

(See Morocco)

TURKEY

ATTEMPTED ABROGATION BY TURKEY OF THE CAPITULATIONS¹

File No. 711.673/69

Chargé Philip to the Secretary of State

No. 1070

AMERICAN EMBASSY,
Constantinople, March 9, 1916.

SIR: With reference to the Department's instruction No. 355 of November 4, 1915,² instructing this Embassy to notify the Sublime Porte that the Department cannot agree with the position taken by the Ottoman Government in the matter of the unilateral abrogation of the capitulations, I have the honor to state that after the receipt of this instruction, the Embassy learned that the German and Austrian Embassies in this city had handed back to the Porte the circular *note verbale* of September 4, 1915, to which reference was made.

This Embassy first endeavored to follow the same course, but the Foreign Office stated that as the German and Austrian Embassies had immediately returned the notes, while some months had passed when this Embassy suggested doing the same, it would therefore prefer not to receive it back from the Embassy. A note based upon the Department's instruction was then prepared and sent to the Porte on February 19, as per copy herewith. The Porte's reply was received under date of March 7, and is enclosed in copy and translation.

I have the honor to suggest that a short reply be sent to the Sublime Porte, briefly reiterating the attitude of the American Government and making the most ample reservations with respect to the future, and also stating that this Embassy considers that the correspondence on this matter is closed for the present.

I have [etc.]

HOFFMAN PHILIP

[Inclosure 1—*Note verbale*]

The American Embassy to the Ministry of Foreign Affairs

The Embassy of the United States of America has the honor to inform the Imperial Ministry of Foreign Affairs that the contents of its *note verbale* of September 4, 1915, No. 70748/183, concerning the attitude of the Sublime Porte with respect to communications in which are invoked the rights and privileges established by the capitulations, were duly brought to the knowledge of the Department of State.

In conformity with instructions which it has now received from its Government, the American Embassy has the honor to inform the Imperial Ministry that the Department of State cannot agree with the position taken by the Im-

¹ Continued from For. Rel. 1915, p. 1201.

² For. Rel. 1915, p. 1205.

perial Government in this matter; but, on the contrary the Department holds that a convention by which one country gives the right to exercise certain rights of sovereignty within its territory to another country is absolute in its nature, and the grantor, having parted with the rights unconditionally, cannot resume their exercise except by a reconveyance or a formal consent on the part of the grantee who is entitled to exercise them.

Extraterritoriality holds much the same relation to sovereignty over persons that international servitudes hold to sovereignty over territory. In both cases the unconditional grant of sovereign rights cannot be abrogated without the assent of the grantee, the owner.

The chief reason for obtaining the right of extraterritoriality is to insure protection for the life, liberty and interests of the nationals of one State while within the territory of the State granting the right. If the surrender of extraterritorial rights lessens such protection, a government cannot relinquish the right without violating its manifest duty. As to whether the surrender of the right will lessen the safety of its nationals within the foreign territory, their government alone is in a position to decide. Following the practice in similar cases with other countries in which the United States exercised extraterritorial rights under treaty, this Government will, upon the establishment of judicial and administrative reforms in Turkey, consider whether they are of such a character as to warrant the surrender of the extraterritorial rights of such American citizens in the Ottoman Empire.

In conclusion, the American Embassy is further instructed to notify the Imperial Ottoman Government that the United States will hold it responsible for any injury which may be occasioned to the United States or to its citizens, through any interference on the part of the Ottoman authorities, with the extraterritorial rights possessed by the United States and its citizens in the Ottoman Empire.

AMERICAN EMBASSY,

Constantinople, February 19, 1916.

[Inclosure 2—Translation]

The Ministry of Foreign Affairs to the American Embassy

In reply to the *note verbale* which the Embassy of the United States of America was pleased to address to it on February 19, 1916, No. 1218, relative to the action which would be taken with respect to communications in which the rights and privileges established by the capitulations should be invoked, the Imperial Ministry of Foreign Affairs hastens to inform it that it has to declare, once for all, that the capitulations have been definitely and irrevocably abolished.

Without wishing to return, in any form, to the discussion of the considerations which have led the Sublime Porte to decree this measure, the Imperial Ministry feels that it must make the most express reservations with respect to the allegations contained in the aforementioned *note verbale* of the Embassy of the Republic.

MINISTRY OF FOREIGN AFFAIRS,

Constantinople, March 7, 1916.

File No. 711.673/70

Chargé Philip to the Secretary of State

[Telegram]

AMERICAN EMBASSY,

Constantinople, April 24, 1916, 2 p. m.

1762. Minister for Foreign Affairs informed me on the 10th instant that at his request Minister of the Interior had sent telegraphic instructions to the provincial authorities directing the latter to avoid in all matters friction with Americans. Should any cause for dis-

pute arise these authorities are instructed to suspend all action and refer to Constantinople for settlement between the Embassy and the Sublime Porte. The Minister asked me to inform consular officers of the above and to direct them to endeavor to avoid on their part all friction with the provincial authorities. He further requested me to advise consular officers that while the American Government had not acquiesced in the abrogation of the capitulations they should bear in mind that the Ottoman Government considered that *de facto* they were abrogated and that would act accordingly. In a circular telegram to American Consuls I informed them of these instructions of the Sublime Porte and avoiding any reference to capitulations I added:

The Embassy appreciating this friendly attitude of the Sublime Porte advises all Consular Officers to act in a similar manner with a view to avoiding all friction and to communicate at once to the embassy any local misunderstanding that might exist so that each case may be taken up with the Sublime Porte as proposed by it. Consular Officers will bring these instructions orally to the notice of the local authorities.

Consuls at Beirut, Harput and Smyrna telegraph appreciating action of the Sublime Porte and state their [relations?] are entirely friendly.

I believe the above action may have beneficial effect upon our affairs if international complications do not arise. The continued restrictions against all sealed consular correspondence with this Embassy of course prevents Consuls from freely reporting such matters at present. The Minister for Foreign Affairs assures me that this restriction is temporary.

PHILIP

File No. 711.673/72

Chargé Philip to the Secretary of State

[Extract]

No. 1326

AMERICAN EMBASSY,
Constantinople, May 23, 1916.

SIR: With reference to my telegram No. 1762 of April 24, concerning the instructions which have been sent by the Ottoman Ministry of the Interior to the provincial authorities to avoid friction in all matters concerning American interests, I have the honor to transmit herewith a copy of a note verbale which this Embassy addressed to the Sublime Porte on the 8th instant, in order to confirm the oral statements of the Minister of Foreign Affairs and to present to the Foreign Office a number of cases in which the local authorities had acted in an arbitrary manner with respect to American consular officials and employees.

I have [etc.]

HOFFMAN PHILIP

[Inclosure 1—Note verbale]

The American Embassy to the Ministry of Foreign Affairs

No. 1432

On April 10 his excellency the Minister of Foreign Affairs was good enough to inform the American Chargé d'Affaires that the Minister of the Interior had sent a circular telegraphic instruction to the different provincial authorities, directing them to avoid friction with American interests, and stating

that with a view to the speedy and satisfactory settlement of any question which might arise from time to time in connection with American interests, all local action should be suspended until the matter under dispute could be submitted to the Sublime Porte and taken up by it with the American Embassy. His excellency Halil Bey also requested that instructions be sent to all the American consular officers in Turkey, directing them to approach all matters concerning their nationals in this same friendly spirit.

Highly appreciating the friendly attitude thus manifested by the Sublime Porte, the Embassy of the United States of America at once sent instructions of this nature to the American consular officers in Turkey, and it has been pleased to receive replies from many of them evincing relations of the most cordial character between them and the local authorities. This Embassy has likewise brought to the knowledge of its Government this oral communication of his excellency the Minister of Foreign Affairs, which will undoubtedly be received with much satisfaction.

In this connection, and with a view to showing how necessary the said instructions to the provincial authorities were, the American Embassy has the honor to draw the attention of the Imperial Ministry to a few of the cases which occurred prior to the issuance of these instructions, and which concern American consular officials and employees only:

1. The dragoman of the American consular agency at Alexandretta, Mr. Ashjian, was subjected on different occasions during 1914 and 1915 to the search of his house by the local police. Finally, about October 15 last he was arrested by the said police and sent to Aleppo for deportation to an unknown destination. In spite of the efforts of the American Consul at Aleppo on his behalf, and notwithstanding the repeated and categorical instructions of the Sublime Porte to the local authorities, he was nevertheless exiled about November 15 to some destination beyond Aleppo.

2. The dragoman of the American Consulate at Bagdad was arrested about the middle of January of the current year, and after being held under arrest for about a month was brought to trial before the court martial, and acquitted of the charge against him. Prior to this arrest his house had also been searched by the police.

3. Two cavasses of the American Consulate General in Constantinople were arrested by the local police on March 4 and 6, 1916, and were sent before the court martial, charged with interfering with certain men in civilian clothes who, it transpired later, belonged to the police detective service, while the latter were engaged with the arrest of some Italian subjects in the building in which the Consulate General is located. This charge against the cavasses was totally unsubstantiated by the court martial when the case came to a hearing, but not before they had remained under detention until March 25.

4. By its notes of March 29 and 31, Nos. 1335 and 1342, this Embassy had the honor to bring to the urgent attention of the Imperial Ministry the legal action which was instituted against Mr. William Brewster, acting American Consular Agent at Alexandretta, in his official capacity as an American consular official. This case has not yet been satisfactorily settled.

5. Mr. Antoine T. Gelat, dragoman of the American Consulate at Jerusalem for nearly twenty years, has been compelled by the local authorities to leave that city and to proceed to Damascus. From Damascus he was sent on to Aleppo, and the Embassy is now informed that he has left Tarsous en route to Angora. Mr. Gelat has always been an universally respected resident of Jerusalem, and this Embassy is convinced that the measure of deportation which has been applied in his case is the result of a misunderstanding on the part of the local authorities. Pending the further consideration of his case, the Imperial Ministry has been requested to have Mr. Gelat authorized to come to Constantinople.

6. On several occasions the attention of the Sublime Porte was verbally drawn to the action of the local authorities at Aleppo and Mersina in establishing a police surveillance over all persons who call at the American Consulates in those two cities. This Embassy has since been informed that this practice has been stopped, thanks to the instructions sent by the Sublime Porte to the local authorities.

7. While awaiting the completion of the formalities required for his official recognition as American Consular Agent at Adrianople, Mr. Charles Allen was subjected to many petty annoyances on the part of the local authorities. He was refused permission to travel to Kirk Kilisseh, in order to attend to relief payments to the various belligerent subjects at that place. On several occa-

sions the local telegraph office refused to accept his telegrams addressed to this Embassy, and a number of telegrams sent to him by the Embassy were not delivered to him, solely for the reason that his official character was indicated upon them. Many difficulties were also raised when Mr. Allen was granted leave of absence to come to Constantinople, and not till a month later was a travelling permit recognizing his official character as an American consular official issued to him. At the time of his departure his cavas was not allowed to accompany him to Constantinople, nor even to go so far as the railway station at Karagatch, although many Ottoman subjects are freely allowed to cross the frontier.

In presenting the foregoing cases in which the local authorities of different parts of the Empire have acted towards American consular officials and employees in a manner incompatible with international courtesy and established usage, or with the friendly relations existing between the Sublime Porte and the American Embassy, the latter has the honor to request the Imperial Ministry of Foreign Affairs to find remedies for such of these cases as have not yet reached a solution, notably Nos. 1, 4, and 5, so that the provincial authorities may fully appreciate the desire of the Sublime Porte to avoid all misunderstandings between two friendly Governments.

AMERICAN EMBASSY,
Constantinople, May 8, 1916.

[Inclosure 2—Note verbale]

The American Embassy to the Ministry of Foreign Affairs

The American Embassy is telegraphically informed by its Consul at Aleppo that legal action has been brought against Mr. William Brewster, American Consular Agent at Alexandretta, in his capacity as an American Consular official, for the sum of one thousand pounds. The grounds for this suit is stated to consist in Mr. Brewster's refusal to deliver to the Committee of Liquidation of abandoned property the keys of the house of the Dragoman of the American Consular Agency at Alexandretta, Mr. Ashjian, as well as a quantity of pistachio nuts previously in Ashjian's store as transit agent, but belonging in part to certain American firms and other individuals who are not Armenians.

The American Embassy has the honor to request the Imperial Ministry of Foreign Affairs to have urgent instructions telegraphed to the competent authorities to put an immediate stop to the aforementioned action which has been instituted against Mr. Brewster. At the same time, this Embassy reserves the further discussion of this matter until it shall have received a detailed report from its Consul at Aleppo.

AMERICAN EMBASSY,
Constantinople, March 29, 1916.

[Inclosure 3—Note verbale]

The American Embassy to the Ministry of Foreign Affairs

Referring to its *note verbale* No. 1835 of the 29th instant, the American Embassy has the honor to inform the Imperial Ministry of Foreign Affairs that it is in receipt of a further telegram from its Consul at Aleppo relative to the action brought against the American Consular Agent at Alexandretta. The Consul now communicates a report from the said Consular Agent that the Liquidation Committee have forced the iron store of Mr. Ashjian and are removing the contents for the purpose of selling them. The Consular Agent adds that he is convinced that none of the contents is Armenian property, and states that his protest to the Governor has been without effect.

The American Embassy has the honor to renew its request to the Imperial Ministry to take urgent action in this matter.

AMERICAN EMBASSY,
Constantinople, March 31, 1916.

File No. 711.873/73

Chargé Philip to the Secretary of State

[Extract]

AMERICAN EMBASSY,
Constantinople, June 15, 1916.

SIR: I have the honor to transmit herewith a copy of the English translation of a set of instructions issued by the Ottoman Ministry of Foreign Affairs in 1914 for the guidance of provincial officials, and dealing with the results of the abrogation of the capitulations.

The instructions herewith enclosed make up the first part of a pamphlet which also contained the new regulations concerning foreign schools and institutions, already transmitted to the Department in December 1914. This first portion of the pamphlet, dealing with judicial modifications as the consequence of the abrogation of the capitulations has never been communicated to the Foreign Missions in this city.

I have [etc.]

HOFFMAN PHILIP

[Inclosure 1—Translation]

SUBLIME PORTE, MINISTRY OF FOREIGN AFFAIRS,

[No Date.]

Instructions to be communicated to officials as the consequence of the abrogation of the capitulations

1. The capitulations, and the conventions subsequently entered into and established usages, together with their interpretation and all the privileges which have been granted to foreigners in the Ottoman Empire and which are contrary to international European public law, have been completely suppressed and abolished. It has been decided that beginning with 18 September 1330/ October 1, 1914, the provisions of international European public law shall be applied to the subjects of foreign Powers, and that with the exception of the rights which belong exclusively to Ottoman subjects and those which are set forth in the following chapters and sections, in all other matters they shall be treated in exactly the same manner as Ottoman subjects.

JUDICIAL AFFAIRS

CHAPTER I—CRIMINAL MATTERS

Part 1—Foreign Subjects

2. The summoning and arrest of foreign delinquents, the searching of their dwellings and stores, shops, hotels, or other premises belonging to them, their interrogation by the examining magistrates, the procedure of the courts and the conduct of trials, and the rendering of the judgment after deliberation shall be done directly, i. e., without having recourse to the intermediary of consular officers. In like manner, if the private plaintiff (*partie civile*) is a foreigner, consular officers shall not be present either at the inquest or at the hearings.

3. The communication of judicial documents shall take place directly. Preliminary arrest and imprisonment after sentence shall be accomplished, as hitherto, in the Ottoman jails and prisons, and all pecuniary fines shall be collected directly.

4. All crimes which shall be perpetrated by foreigners against Ottomans or against foreigners of the same or differing nationalities, or by Ottomans against foreigners, shall be examined and judged by the Ottoman tribunals, but without the presence of consular officers.

5. If Ottoman or foreign witnesses are to be heard during penal proceedings, either by the examining magistrate and the accusation committee (*chambre de mises en accusation*), at the time of the inquest or during the hearing of the case, the presence of consular officers shall as in the past in no wise be accepted. Foreign witnesses shall be cited to appear at the inquest or at the hearings directly, i. e., without having recourse to the intermediary of the consulates, and in case they fail to appear, the regulations in force with respect to similar Ottoman witness who fail to appear shall be applied to them.

6. The formalities of appeal and of cassation shall also be carried out in exactly the same manner as those in force for Ottoman subjects, and for whatever judgment recourse shall be had to cassation, the decisions of the penal section of the Court of Cassation shall be executed directly in the same manner as other judgments which have acquired a final character.

7. If the distance between the consulates and the offices of the examining magistrates and the courts is less or greater than nine hours, no distinction shall be made between Ottoman subjects and foreigners.

Part 2—Consuls and the Officials in their Staffs

8. Consuls General, Consuls, Vice Consuls, Consular Agents who are *de carrière* and are salaried, as well as all those who have any other title and are at the head of a consular office shall be arrested, judged and imprisoned directly by the Ottoman officers, offices and tribunals for all crimes which they may commit. If the said foreign consular officials should commit misdemeanors and offences they shall not be judged in the Ottoman courts, upon the condition that the Governments to which they belong shall follow the rule of reciprocity. However, as a special set of regulations is being drawn up with respect to the hearing and trial of their criminal acts, whether crimes, misdemeanors or offences, until that time it is necessary to abstain from legal action, and such matters shall be immediately communicated to the Ministry of Justice with all their details with a request for instructions.

9. During the prosecution for crimes, or for the misdemeanors and offences of consular officials of those Governments which shall not have accepted the principle of reciprocity, the inviolability of the archives and records of the consulates shall be respected.

10. In case it should become necessary to levy upon the personal property of the Consul for the execution of penal judgments, the provisions of law can be applied only to his private property, and the effects belonging to his Government shall not be touched.

11. In case it should become necessary to request information or to have recourse to the testimony of one of the aforementioned Consuls, either on the part of the officials charged with the inquest or of the courts, the officials in question shall apply in person to the Consul or shall send to him a special delegate who shall hear the verbal information and testimony, or who shall request this information and testimony in writing. In any event, the said Consuls cannot adjourn the requests and applications of the Ottoman officials and courts without basing their action upon a reason that is legally acceptable, and they shall accept and give effect to the same within the period, day, and hour that have been set.

12. Apart from these [consular officers], all honorary Consuls, secretaries, cavasses, and the mutevellis and dragomans of religious dignitaries or convents, whether Ottomans or foreigners, may not avail themselves of any privilege or exemption, and they shall be completely subjected to the treatment in force for the nationality to which they belong.

Part 3—Foreign Merchant Vessels

13. With respect to criminal acts which may be committed on board foreign merchant vessels within Ottoman territorial waters and in Ottoman ports, Ottoman officials will intervene in the three following cases:

(1) If the criminal act which is committed disturbs public order in the port or on land, whether or not the local population or other persons are involved therein.

(2) Even in case the criminal act does not disturb public order in the port or on land, if any one of the local population be interested in any way whatsoever, whether the act takes place only between members of the crew, or between members of the crew and third persons.

(3) In like manner, even if the act does not disturb public order in the port or on land, if any person other than the local population or the crew is interested.

In brief, with the exception of criminal acts committed solely among the members of the crew, upon the condition that these acts do not disturb public order on land, in the territorial waters and in the ports, and that there shall be no local inhabitants among the members of the crew interested therein, in all other actions of a criminal nature the local officials and the local courts shall have the right to intervene.

14. Moreover it is manifest that in such circumstances, and also for the pursuit of persons who may be on board and who may have committed criminal acts in any place whatsoever which lie within the jurisdiction of the Ottoman courts, Ottoman officials may go directly on board foreign merchant vessels in order to search, to interrogate, to make arrests, and to perform all the other duties for which the provisions of law render them competent.

CHAPTER II—CIVIL AND COMMERCIAL MATTERS

Part 1—Purely Civil and Commercial Matters

15. With respect to civil and commercial actions, foreign subjects shall also receive the same treatment as Ottomans. Although the competent tribunals to hear cases concerning leases of property and other actions of foreign subjects involving 1000 piasters or a smaller sum have until now been the civil courts with the presence of the dragoman, and although for other cases the Mixed Commercial Courts have had jurisdiction, and although the right to hear cases of a civil and commercial nature arising between foreign subjects of the same or differing nationalities belonged to the Consular Courts, henceforth civil and commercial actions which shall arise either between Ottoman subjects and foreigners, or between foreigners of the same and different nationalities, shall be examined, heard and judged directly, i. e., without the intervention of consular officers and foreign associate judges, by the Ottoman courts to which Ottomans address their cases, and in conformity with the procedure and laws in force for Ottomans.

16. The service of all kinds of legal documents and judgments, the summoning and hearing of witnesses, and the execution of judgments shall take place directly; and judicial officials may, in the cases provided by law, enter without consular assistance into the residences, hotels, shops and stores and other places of foreign subjects, and into foreign merchant vessels, just as they would do in the case of Ottomans.

17. Although up to the present time the judgments rendered by the provincial mixed commercial courts were subject to appeal to the First Chamber of the Commercial Court of Constantinople, and although the decisions of this latter court were not susceptible of appeal or cassation, henceforth all civil and commercial actions between Ottomans and foreign subjects shall be subject to appeal and cassation in the same manner as when both parties are Ottomans.

18. Cases of bankruptcy among foreign subjects shall be settled by the competent Ottoman courts without consular intervention (the competent Ottoman courts shall also proceed, in the same manner as in the case of Ottomans, against foreign subjects who are guilty of negligent or fraudulent bankruptcy). In case the bankrupt is an Ottoman, and one, a part, or all of the creditors, are foreign subjects, the operations of bankruptcy shall be heard and settled without consular assistance, according to the previous procedure which shall continue to be also applied in the future.

19. There shall be no distinction if the places where civil and commercial actions arise in the course of the aforementioned proceedings shall be located at a distance of more or less than nine hours from the nearest consulate.

20. As is hereinafter stated, in all matters relating to real property those foreigners who possess the right to acquire property being completely assimilated to Ottomans, the Ottoman courts shall continue to be directly competent, as in the past, to judge actions which arise concerning real property, even when there is question of rakabeh, right of property ownership, and usufruct.

Part 2—Family Law and Estates

21. It is one of the principles of European public law that the legal actions of foreign subjects concerning exclusively the law of family and capacity, such as those having to do with marriages, separations, paternity, guardianship,

wills, minority and majority, and those which concern the testamentary legacies and estates of personal property, shall be heard by the local courts which, without prejudice to public interest, shall apply the law of the Government to which the foreigner belongs. However, the aforesaid actions shall not be heard by the Ottoman courts; unless Ottoman subjects are therein interested, until the reorganization of the civil tribunals and the promulgation and publication of the laws required for the hearing of such cases.

22. All actions and operations concerning the succession of, and wills relating to real property shall continue, as in the past, to be heard by the Ottoman courts and governmental Departments, in conformity with Ottoman law.

23. If, during the course of an action concerning foreign subjects, there shall arise in the Ottoman courts any questions relative to the capacity of foreigners, these questions shall be settled in conformity with the laws of the country to which they belong.

Part 3—Consuls

24. Professional or honorary Consuls General, Consuls, Vice Consuls, Consular Agents and all those with any title whatsoever who are heads of consular offices, as well as the employees, dragomans and cavasses who are in their personnel, shall be subject to the direct jurisdiction of the competent Ottoman courts, in like manner as other foreigners, in all legal actions of a civil or commercial nature which do not arise from their official duties.

25. Of the officials who have just been mentioned, the persons who are at the head of consular offices may not be imprisoned for debt. However, if honorary Consuls General, Consuls, Vice Consuls and Consular Agents are engaged in trade, they may be imprisoned for debts arising out of their commercial affairs. But if it should prove necessary to enter a consular building in connection with the execution of a civil judgment or any similar operation, the inviolability of the consular records and archives shall be respected.

26. Should it be necessary to have recourse to the personal property in the execution of judgments, the provisions of law may be applied only to the personal property of the Consul, and the effects of the Government in question shall not be touched.

CHAPTER III—FEES WHICH SHALL BE COLLECTED BY THE COURTS AND JUDICIAL ADMINISTRATIONS

27. The fees, charges and other expenses which shall be collected in the criminal, civil and commercial courts and by the justices of the peace and by all judicial administrations shall be the same for foreigners as for Ottomans.

CHAPTER IV—CONCERNS PENAL, CIVIL AND COMMERCIAL ACTIONS NOW PENDING.

28. Although the proceedings which have taken place up to September 18, 1330/October 1, 1914, in suits and actions now pending are valid, inasmuch as procedure subsequent to that date will have to follow the new state of affairs, the presence of consular officials in penal proceedings will not be admitted. Penal proceedings now in the consular courts shall be turned over to the Ottoman tribunals from the point at which they have arrived, the delivery of those under arrest to the Ottoman officials shall be demanded, and they shall be held in Ottoman jails; and the necessary steps shall also be taken to have foreigners, who have been arrested and condemned and were transferred to consular prisons, returned to the Ottoman jails and prisons, no matter what point in the proceedings against them has been reached.

29. The main punishments provided for in penal sentences, the collection of fines, the payment of damages, the restitution of goods, and the application of the other dispositions of the law shall also be continued from the point which they have reached.

30. With respect to civil and commercial actions now pending which involve an amount of more than 1000 piasters, they shall, in conformity with the provisional law that is now being prepared, be heard and terminated from the point which they have reached by the tribunals which already have jurisdiction, in applying the code of commercial procedure but without the presence of foreign associate judges and without the presence of a consular delegate.

31. Judgments rendered by the Ottoman courts in the aforementioned actions shall also be executed without consular intervention. The official charged

with the execution of civil judgments rendered against Ottomans shall continue the execution of judgments rendered up to the present time by the mixed commercial courts in civil actions, beginning at the point which they have reached, and he shall also be charged with the complete execution of those judgments whose execution has not yet commenced.

[Inclosure 2—Translation]^a

PRIVATE RELIGIOUS, EDUCATIONAL AND BENEVOLENT INSTITUTIONS, SCHOOLS AND MEDICAL INSTITUTIONS

CHAPTER I—GENERAL SUBJECTS

1. Churches, Monasteries, Priests' Residences, Schools, (such as boys, girls, boarding and day schools, industrial, agricultural, medical, law, commercial, civil engineering, theological and other schools) orphanages, sewing schools, hospitals, clinics, pharmacies, childrens' asylums, cemeteries) which are at present approved by Imperial firman and are actually in existence as foreign institutions and medical places, will be recognized subject to the conditions contained in the following paragraphs.

2. Institutions which to-day have no firman and are actually not in existence shall not be recognized even if they have been approved by special agreement.

3. Also, those institutions which have a firman, but on the 18th of September 1330 were not actually in existence, shall not be recognized. But those belonging to this class whose buildings have been completed up to the roof will, as an exception, be recognized.

4. With the exception of monasteries and priests' residences those institutions which were actually in existence before the 18th of September 1330, although they have not a firman, will be recognized. But beginning with the 18th of September, within two months, they shall apply to the proper authorities for a firman; in the opposite case, they will not be recognized and will be closed.

5. Henceforth for the purpose of founding a foreign institution, those who are connected with it must deal directly with the Ottoman Government, and not through an Embassy. For this purpose, first of all, the necessary formalities, information and conditions must be fulfilled and a firman must be obtained. Any institution which is opened without a firman will immediately be closed.

6. When a request is made for the founding of a foreign institution, the Imperial Government will not be compelled, according to the former arrangement, i. e., to give a written answer within six months containing the necessary reasons for a rejection, but, without giving any reasons, the Imperial Government will be able to reject the request at any time.

7. The giving of a permission for the founding of a foreign institution will in every case depend upon there being in the place where the institution is to be founded, subjects of the Government represented, and the number of these foreign subjects must be proportionate to the size of the institution.

8. For the Vakuf properties belonging to foreign institutions, the Mukata'a tax will be 10 in a 1000: for Arazie-y Mevkufeh and Arazie-y-Amirieh and Emlak-surfa, a special tax of 7½ in a 1000 will be collected.

9. Whether this Mukata'a and special tax will be on the land or on both land and building is subject to the regulations in force.

10. In case of expropriation for the public good, properties owned by foreign institutions are not treated differently from other properties.

11. The correction of register of the spaces occupied by a building devoted to the discharge of the duties of a benevolent or religious institution, together with the first adjoining it, (being at the most twice its size) may take place to the name of the institution in a specified place belonging to a society, after the legal tax (Khardj) has been collected.

12. The extent of cemeteries will be decided according to the need and necessity, and therefore in the matter of the correction of their registration, the rule regarding "twice the size" of the place they occupy, will not be enforced.

^a Transmitted to the Department by Ambassador Morgenthau with his despatch No. 142, dated December 5, 1914, File No. 387.116/273.

13. Those institutions whose registration has been corrected will be continued as at present.

14. As religious and benevolent institutions, according to the object they profess, cannot be owners of profitable land or property, it is not permitted that they should be owners of land or property bringing in an income.

15. Property held in trust belonging to the institutions will be established as before in the name of individuals, and their registers will not be corrected, and the Imperial Government has the authority, within a definite period to cause to be sold those properties which seem to be more than is necessary, and to sell by auction the property of those who do not sell, and to pay over the sums thus obtained.

CHAPTER 2—CHURCHES, PLACES OF WORSHIP, MONASTERIES, PRIESTS' RESIDENCES AND CEMETERIES

16. Churches and places of worship shall be free as before for the performance of religious ceremonies, but when a crime is committed in them, or a criminal takes refuge there, or for the purpose of preserving general order the police have the right to enter these places. In any case, the competent Ottoman officials shall make the necessary investigations in these places in the enforcement of sanitary regulations.

17. Churches and places of worship which stand separate, are free in all respects from all Imperial and Municipal taxes as regards immovable property. But residences of priests which are separate from places of worship or churches are subject to the said taxes. Even if places of worship are found in monasteries or residences of priests, they will be subject to the laws and regulations and to all the Imperial and Municipal and other taxes.

18. Ottoman officials have the right of entering foreign cemeteries in case of necessity for performing their duty according to law, from the point of view of health and public order.

19. Cemeteries are free from all the Imperial and Municipal and other taxes relating to immovable property.

CHAPTER 3—SCHOOLS

20. Foreign individuals may found private schools in Turkey by Imperial firman in accordance with the Ottoman law. For this purpose it is necessary for those concerned to apply directly to the Department of Education. It is evident that the said Department has the authority to reject such applications when made, without the necessity of giving any explanations.

21. Schools which belong to foreign communities, benevolent, religious and educational societies and whose existence is, in accordance with Chapter 1, valid and which have a firman, must within two months apply to the Educational Department and have these firmans registered. The firmans which are registered will have the force of permits. Schools which have no firmans are obliged within two months to apply to the Educational Department for permits. These permits will be given after securing an Imperial iradeh.

22. Schools which charge no tuition are exempted from the Emlak tax. For the rest, an Emlak tax will be collected, which will be half of what would be the probable tax as based upon the estimated value or rent of the property. Only, in regard to those schools whose taxes are remitted or those whose taxes are reduced, the said remission or reduction is confined to that part of the property whose registry has been corrected as mentioned above. Therefore any land or property over and above the said part will be governed by the ordinary law of taxation.

23. Schools devoted to the education of ecclesiastics shall be subject to the general duties and taxes relating to immovable property.

24. All schools, without exception, are subject to municipal taxation.

25. All the said schools are obliged within two months to indicate to the educational authorities a responsible director.

26. Henceforth foreign educational, religious and benevolent societies, whether with or without firmans, whether pertaining to individuals or institutions, are subject to the following regulations:

(a) A program must be presented to the Public Instruction authorities containing the obligatory study in Turkish of the Turkish language, the history

and geography of Turkey. (It is obligatory that Turkish shall be taught to the same degree as the language of the school.) After these programs have been approved by the said authorities, the standing of the school must be determined, and according to this standing the certificates to be given by the school, shall be valued.

(b) If the books to be used in a school are printed, a copy of each of them shall be given to the Public Instruction authorities, with the names of authors, the place and date of publication.

(c) The pupils who are not of the religion and denomination to which the schools belong, shall not be taught the lessons pertaining to the religion and sacred history of the school and shall not be present at prayers.

(d) Special officials shall be invited from the Ministry of Public Instruction to be present at the class examination of the schools.

(e) A list giving the names and nationality of the teachers shall be presented, and their diplomas and certificates shall be shown, and the Turkish teachers must have a certificate from the educational authorities.

(f) At all times the schools must receive educational and sanitary inspectors, and must help them in the discharge of their duties, and must give at once all kinds of information and explanations.

(g) Schools which at the appointed times do not obey the above regulations will be closed and abolished.

CHAPTER 4

28. Henceforth the establishment of private medical institutions such as hospitals, pharmacies, childrens' asylums, medical schools, etc., will depend upon the permission of the Imperial Government by a firman.

29. Medical institutions now in existence, whether private or connected with an institution, shall be subject to the regulations given above in Chapter 3, in regard to school firmans.

30. Henceforth the founding of new medical institutions by foreign educational, religious and benevolent societies and communities is prohibited.

31. The regulations in Chapter 3 in regard to the correction of registration and of taxes for schools, will be applied here also.

32. The foreign medical schools now existing shall within two months appoint a responsible director, possessing the necessary qualifications.

33. Foreign medical institutions shall be subject to the following conditions:

(a) Foreign medical schools are obliged to have their programs approved by the Department of Public Instruction.

(b) Other medical institutions shall be subject to the decisions and rules laid down for such institutions by the General Sanitary Administration.

(c) In all the hygienic and medical institutions referred to in this chapter, the doctrines and ideas of the religion and denomination to which the institution belongs, shall not be taught to persons who do not belong to the religion of the said institution, and the said persons shall not be caused to be present at religious ceremonies.

(d) The examination for the degree of doctor in medical schools, shall be conducted by a commission to be appointed by the Ottoman Medical Faculty, and Ottoman officials shall be invited to be present at the class examinations.

(e) Lists giving the names and nationalities of teachers in medical schools shall be presented to the Educational Department, and their diplomas and certificates shall be shown, and it is necessary that of these, those who belong to the class of doctors of medicine or any of its branches, shall fulfill the special conditions required of foreign doctors. Those who carry on special branches in hospitals or in other medical institutions, (such as medicine, midwifery, dentistry and pharmacy, etc.) shall be subject to the conditions laid down for their professions.

(f) Foreign medical schools and hygienic institutions are subject to inspections just like Ottoman schools and institutions of the same kind. Medical schools and institutions are obliged to execute the orders and commands given by the inspectors, and of these orders those whose application must be immediate shall be carried out without delay.

NEW OTTOMAN CUSTOMS TARIFF

File No. 667.003/67

The Chargé d'Affaires of Turkey to the Secretary of State

The Chargé d'Affaires of Turkey presents his compliments to the Secretary of State and by order of his Government has the honor to inform him that the new Ottoman Customs Tariff on the basis of specific duties shall be put into effect on and after September 1/14, 1916, on all merchandise that has arrived before or may arrive after that date.

OTTOMAN EMBASSY,
Washington, August 21, 1916.

File No. 667.003/67

The Secretary of State to the Chargé d'Affaires of Turkey

[Memorandum]

The Secretary of State presents his compliments to the Chargé d'Affaires of the Imperial Ottoman Embassy and has the honor to acknowledge the receipt of the memorandum No. 4690/17 of August 21, 1916, by means of which information is communicated of the intention of the Imperial Ottoman Government to put into effect the new Ottoman customs tariff on the basis of specific duties on and after September 1/14, 1916.

This acknowledgment of the receipt of the memorandum of the Chargé d'Affaires is made without prejudice to the position which the Government of the United States has announced or may hereafter announce with reference to the legality of the action which the Imperial Ottoman Government essays to take in the premises.

DEPARTMENT OF STATE,
Washington, September 7, 1916.

PROTECTION OF TURKISH INTERESTS IN MEXICO

(See Mexico)

INTERNATIONAL CONFERENCES AND CONGRESSES HELD IN THE UNITED STATES

SECOND PAN AMERICAN SCIENTIFIC CONGRESS

Held at Washington, D. C., December 27, 1915 to January 8, 1916.

[See "Proceedings of the Second Pan American Scientific Congress", Washington, D. C., December 27, 1915 to January 8, 1916. 11 volumes.
See also "Daily Bulletin Second Scientific Congress", Washington, D. C., December 27, 1915 to January 8, 1916.]

INFORMAL CONFERENCE ON RADIO COMMUNICATION IN THE AMERICAN HEMISPHERE

Held at the Department of State, January 7, 1916.

File No. 810.74/41

MINUTES OF THE INFORMAL CONFERENCE ON RADIO COMMUNICATION,
HELD AT THE DEPARTMENT OF STATE ON FRIDAY AFTERNOON, JANUARY 7TH, 1916, AT 4.30 O'CLOCK.

Upon invitation by the Secretary of State, there assembled thirty of the official delegates of the countries participating in the Second Pan American Scientific Congress, representing Guatemala, Salvador, Honduras, Costa Rica, Nicaragua, Panama, Colombia, Ecuador, Venezuela, Peru, Bolivia, Chile, Argentina, Uruguay, Paraguay, Brazil, Cuba, Santo Domingo, and Haiti, with the addition of the Ambassador from Brazil, the Honorable Josephus Daniels, Secretary of the Navy, Admiral Benson, U. S. N., Captain Bullard, U. S. N., (Naval Radio Service), Lieutenant Noyes, U. S. N., and two other representatives of the Navy Department. The undersigned acted as secretary and represented the Department of State upon the withdrawal of the Counselor.

The conference was opened by Mr. F. L. Polk, Counselor of the State Department, who stated that the objects of the Department in calling this informal meeting were four-fold:

1. The interest that the Government of the United States has taken in the development of this science;
2. The knowledge that it has obtained from various sources that radio stations erected by European capital or operated and controlled by European countries, have been installed in certain countries of Central and South America;
3. Its conviction that such a situation is replete with possible complications by reason of the fact that unwarranted use of such stations by belligerents in time of war might seriously jeopardize the neutrality of the countries in which the stations are operated;
4. Its belief that the ownership and control of this vitally important means of communication between the American continents should rest in sympathetic hands and should not pass beyond this hemisphere and fall under non-American jurisdiction.

Mr. Polk stated that it was not the desire of the Government of the United States that any formal agreement be entered into at this time, but that should the trend of the discussion so permit, an informal resolution to the above ends might be submitted for the consideration of the delegates, who might then orally express the opinions of their Governments. This discussion might form the basis for a subsequent communication to the respective Governments by means of the Embassies and Legations of the United States, to the end that a more formal agreement be ultimately reached.

It was further suggested that the conference provide:

1. That an agreement be reached that Government controlled stations be rendered available for the use of all the American Governments in case of exigencies demanding united action by them or by the United States of America.
2. That concessions which have been or may be granted to American concerns for the erection and installation of radio apparatus, contain the proviso that they are subject to the same conditions in such circumstances.

The Counselor then stated that as the matter of radio communication was one directly affecting the Navy Department, which had always evinced great interest in the international situation, he considered it appropriate that the further deliberations take place under the Chairmanship of the Secretary of the Navy, in whose favor he then relinquished the Chair.

Secretary Daniels strongly advocated Government control of radio communication in order that the actual control of the stations might be assumed in case of need. His remarks were more or less along the following lines:

The Naval Radio Service, an organization established under the Navy Department, is charged, among other things, with watching the development of the art of radio telegraphy in all parts of the world, and in keeping itself informed of the crection of new wireless stations in foreign territory. Particularly has it interested itself in watching the development in countries comprising the Pan American Union, and believing in the great general principle of America for Americans has taken some steps to call the attention of countries of Central and South America to the growth of the art in this country, and to the desirability of such countries investigating wireless systems that have originated or are controlled in the United States before erecting stations for themselves or granting franchises or concessions to commercial corporations for this purpose.

Some months ago the Navy Department addressed the Department of State along these lines, and inquired if our diplomatic and consular officers in Central and South America could not be charged with the duty of expressing to the various Governments to which they were accredited the hope that before such Governments granted franchises to erect wireless stations to corporations of European countries they would bring to the attention of the proper authorities the advantages to be gained by the installation of apparatus furnished by United States firms or corporations. This proposal met with the hearty approval of the State Department which prepared a circular letter containing these essential facts addressed to our various accredited representatives,¹ and I am pleased to state that the results have been most gratifying. Most of the countries addressed replied favorably to the main proposition, and in certain countries where franchises were sought by outside interests, it is understood such franchises have been held up pending the result of this Conference.

During the correspondence necessary to bring the above facts to the attention of the various countries, the State Department, remembering that the Second Pan American Scientific Congress was shortly to meet in Washington,

¹ For. Rel. 1915, p. 24.

advanced the idea that it would be extremely desirable to have an interchange of views on the part of the accredited delegates from the various countries sending officials to the Scientific Congress. This proposition too met with entire approval on the part of the countries concerned, with the result that this Conference was made possible and it is now understood there are delegates appointed from twenty republics of Central and South America, and from the character of the personnel, consisting as it does of special delegates or in many cases, of the Ministers of the countries themselves accredited to this Government, it is very evident these Governments have shown a marked interest in the outcome of this Conference, and much will depend upon the result of the deliberations of this Conference so that each delegate may carry home to their respective Governments the general consensus of opinion and be prepared to advise their Governments along the best lines of policy as may be brought out by a free interchange of views.

It is understood that one or two delegates have prepared special papers to be read at this meeting and which I am sure will be listened to with the greatest interest and be given the most careful consideration, but before I call upon those gentlemen, I should like to personally say a few words bearing on the general subject of international radio communication, and will then call upon a representative of the U. S. Naval Radio Service to say a few words, and perhaps he may be in a position to speak of some of the troubles encountered in this country and give some advice which if adopted may prevent a recurrence of similar troubles in other countries.

Captain Bullard of the Naval Radio Service then read a paper strongly advocating governmental control. Remarks upon the paper being called for, the Minister of Uruguay stated that his Government maintained a monopoly of Government control and expressed himself as heartily in accord with Captain Bullard's recommendations.

Captain Jorge Mery of the Chilean Navy was expected to read a paper but was not present at the Conference, it being understood that his arrival from Chile had been delayed.

Rear Admiral Don Juan A. Martin read a paper written by himself and electrical engineer Dagassan of the Argentine Navy, which is hereto attached, marked Exhibit A.²

No further papers being presented, the Minister of Peru moved that as the instructions of the majority of the delegates had been merely to participate in an informal discussion of this matter, the Secretary of the Navy or of State present to the various Legations of the countries of this Hemisphere the recommendations that it desires to advance, so that the matter may receive the examination and attention that it deserves, and that an interchange of views thereon take place at some future meeting of the Latin American Diplomatic Corps, the results of which would be communicated to the respective Governments. The Minister of Venezuela agreed with the Minister of Peru, the motion was seconded and carried unanimously.

In the course of the remark on this motion, the undersigned stated that the intention of the Secretary of State had been that the meeting should assume exactly the informal character that it was now so fortunately following and that it had been the idea of the Department that the main points to be considered might be crystallized in a resolution along the following lines:

The Governments of the countries of the Western Hemisphere being convinced that, for the purpose of undisturbed intercommunication and for national protection, the maintenance, operation, and control of radio com-

² Not printed.

munication between them should rest wholly in sympathetic hands and not pass beyond this Hemisphere and under the jurisdiction of European or Asiatic interests, have agreed, in an informal conference held for that purpose, in the Department of State of the United States of America, on January 7, 1916, that:

1. All radio telephonic or telegraphic stations which have been, or may in future be erected, maintained or operated under governmental control, shall, in case of exigencies demanding unison of action for national defense, be immediately rendered available for such services as the Government may demand.

2. That all contracts entered into, or to be in future entered into, between the Governments and private American concerns for the erection or installation of radio telephonic or telegraphic apparatus contain the provision that such stations shall be immediately rendered available for the use of the respective Governments in case of the exigencies hereinbefore referred to.

As the temper of the conference was apparently against such action until the matter had received further examination and study, he was happy to defer to the motion of the Minister of Peru.

Before adjournment, Captain Bullard explained that the attitude of the Navy Department in favor of Government control should not be considered as necessarily prohibiting the entrance of reputable American Wireless companies in the field, and trusted that its attitude should not occasion conflict with any concessions which may have been granted to such companies or which may be at present under consideration. (This referred to the desire of the Federal Holdings Company to enter the South American field, who have already secured a concession in the Argentine Republic and expect to receive one in Uruguay.)

There being no further discussion, the Secretary of the Navy declared the meeting adjourned with the understanding that recommendations of the Navy Department would be submitted to the respective Legations at the earliest moment possible.²

The names of the delegates are on file in the Department of State.

A digest of the attitude of the participating countries, compiled from reports from the American Embassies and Legations in the respective capitals is hereto attached, marked "Exhibit B".²

J. BUTLER WRIGHT, *Secretary*

² Not printed.

³ See Circulars, p. 5.

INTERNATIONAL CONVENTIONS

CONVENTION BETWEEN THE UNITED STATES AND OTHER POWERS FOR THE PROTECTION OF TRADE MARKS

Signed at Buenos Aires, August 20, 1910; ratification advised by the Senate, February 8, 1911; ratified by the President, March 21, 1911; ratification of the United States deposited with the Government of the Argentine Republic, May 1, 1911; proclaimed, September 16, 1916.

Treaty series No. 626

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas a Convention for the Protection of Trade Marks, between the United States of America and the Argentine Republic, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Salvador, Uruguay and Venezuela, was concluded and signed by their respective Plenipotentiaries at Buenos Aires on the twentieth day of August, one thousand nine hundred and ten, the original of which Convention, being in the Spanish, English, Portuguese and French languages is word for word as follows:

Their Excellencies the Presidents of the United States of America, the Argentine Republic, Brazil, Chili, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Salvador, Uruguay and Venezuela;

Being desirous that their respective countries may be represented at the Fourth International American Conference, have sent thereto, the following Delegates, duly authorized to approve the recommendations, resolutions, conventions and treaties which they might deem advantageous to the interest of America.

United States of America: Henry White, Enoch H. Crowder, Lewis Nixon, John Bassett Moore, Bernard Moses, Lamar C. Quintero, Paul Samuel Reinsch, David Kinley.

Argentine Republic: Antonio Bermejo, Eduardo L. Bidau, Manuel A. Montes de Oca, Epifanio Portela, Carlos Rodríguez Larreta, Carlos Salas, José A. Terry, Estanislao S. Zeballos.

United States of Brazil: Joaquim Murtinho, Domicio da Gama, José L. Almeida Nogueira, Olavo Bilac, Gastão da Cunha, Herculanio de Freitas.

Republic of Chile: Miguel Cruchaga Tocornal, Emilio Bello Co-decido, Aníbal Cruz Díaz, Beltrán Mathieu.

Republic of Colombia: Roberto Ancizar.

Republic of Costa Rica: Alfredo Volio.

Republic of Cuba: Carlos García Vélez, Rafael Montoro y Valdés, Gonzalo de Quesada y Aróstegui, Antonio Gonzalo Pérez, José M. Carbonell.

Dominican Republic: Américo Lugo.

Republic of Ecuador: Alejandro Cárdenas.

Republic of Guatemala: Luis Toledo Herrarte, Manuel Arroyo, Mario Estrada.

Republic of Haiti: Constantin Fouchard.

Republic of Honduras: Luis Lazo Arriga.

Mexican United States: Victoriano Salado Alvarez, Luis Pérez Verdía, Antonio Ramos Pedrueza, Roberto A. Esteva Ruiz.

Republic of Nicaragua: Manuel Pérez Alonso.

Republic of Panama: Belisario Porras.

Republic of Paraguay: Teodosio González, José P. Montero.

Republic of Peru: Eugenio Larrabure, y Unánue, Carlos Alvarez Calderón, José Antonio de Lavalle y Pardo.

Republic of Salvador: Federico Mejía, Francisco Martínez Suárez:

Republic of Uruguay: Gonzalo Ramírez, Carlos M. de Pena, Antonio M. Rodríguez, Juan José Amézaga.

United States of Venezuela: Manuel Díaz Rodríguez, César Zumeta.

Who, after having presented their credentials and the same having been found in due and proper form, have agreed upon the following Convention for the Protection of Trade-Marks.

ARTICLE I

The signatory Nations enter into this Convention for the protection of trade-marks and commercial names.

ARTICLE II

Any mark duly registered in one of the signatory States shall be considered as registered also in the other States of the Union, without prejudice to the rights of third persons and to the provisions of the laws of each State governing the same.

In order to enjoy the benefit of the foregoing, the manufacturer or merchant interested in the registry of the mark must pay, in addition to the fees or charges fixed by the laws of the State in which application for registration is first made, the sum of fifty dollars gold, which sum shall cover all the expenses of both Bureaux for the international registration in all the signatory States.

ARTICLE III

The deposit of a trade-mark in one of the signatory States produces in favor of the depositor a right of priority for the period of six months, so as to enable the depositor to make the deposit in the other states.

Therefore, the deposit made subsequently and prior to the expiration of this period, cannot be annulled by acts performed in the interval, especially by another deposit; by publication, or by the use of the mark.

ARTICLE IV

The following shall be considered as trade-mark: any sign, emblem, or especial name that merchants or manufacturers may adopt

or apply to their goods or products in order to distinguish them from those of other manufacturers or merchants who manufacture or deal in articles of the same kind.

ARTICLE V

The following cannot be adopted or used as trade-mark: national, provincial or municipal flags or coats-of-arms; immoral or scandalous figures; distinctive marks which may have been obtained by others or which may give rise to confusion with other marks; the general classification of articles; pictures or names of persons without their permission; and any design which may have been adopted as an emblem by any fraternal or humanitarian association.

The foregoing provisions shall be construed without prejudice to the particular provisions of the laws of each State.

ARTICLE VI

All questions which may arise regarding the priority of the deposit, or the adoption of a trade-mark, shall be decided with due regard to the date of the deposit in the State in which the first application was made therefor.

ARTICLE VII

The ownership of a trade-mark includes the right to enjoy the benefits thereof, and the right of assignment or transfer in whole or in part of its ownership or its use in accordance with the provisions of the laws of the respective States.

ARTICLE VIII

The falsification, imitation or unauthorized use of a trade-mark, as also the false representation as to the origin of a product, shall be prosecuted by the interested party in accordance with the laws of the State wherein the offence is committed.

For the effects of this article, interested parties shall be understood to be any producer, manufacturer or merchant engaged in the production, manufacture or traffic of said product, or in the case of false representation of origin, one doing business in the locality falsely indicated as that of origin, or in the territory which said locality is situated.

ARTICLE IX

Any person in any of the signatory States shall have the right to petition and obtain in any of the States, through its competent judicial authority, the annulment of the registration of a trade-mark, when he shall have made application for the registration of that mark, or of any other mark calculated to be confused, in such state, with the mark in whose annulment he is interested, upon proving:

a) That the mark, the registration whereof he solicits, has been employed or used within the country prior to the employment or use of the mark registered by the person registering it, or by the persons from whom he has derived title;

b) That the registrant had knowledge of the ownership, employment or use in any of the signatory states, of the mark of the applicant, the annulment whereof is sought, prior to the use of the registered mark by the registrant or by those from whom he has derived title;

c) That the registrant had no right to the ownership, employment or use of the registered mark on the date of its deposit;

d) That the registered mark had not been used or employed by the registrant or by his assigns within the term fixed by the laws of the State in which the registration shall have been made.

ARTICLE X

Commercial names shall be protected in all the States of the Union, without deposit or registration, whether the same form part of a trade-mark or not.

ARTICLE XI

For the purposes indicated in the present Convention a Union of American Nations is hereby constituted, which shall act through two International Bureaux established one in the city of Habana, Cuba, and the other in the city of Rio de Janeiro, Brazil, acting in complete accord with each other.

ARTICLE XII

The International Bureaux shall have the following duties:

1. To keep a register of the certificates of ownership of trade-mark issued by any of the signatory states.

2. To collect such reports and data as relate to the protection of intellectual and industrial property and to publish and circulate them among the nations of the Union, as well as to furnish them whatever special information they may need upon this subject.

3. To encourage the study and publicity of the questions relating to the protection of intellectual and industrial property; to publish for this purpose one or more official reviews, containing the full texts or digest or all documents forwarded to the Bureaux by the authorities of the signatory States.

The Governments of said States shall send to the International American Bureaux their official publications which contain the announcements of the registrations of trade-marks, and commercial names, and the grants of patents and privileges as well as the judgments rendered by the respective courts concerning the invalidity of trade marks and patents.

4. To communicate to the Governments of the Union any difficulties or obstacles that may oppose or delay the effective application of this Convention.

5. To aid the Governments of the signatory States in the preparations of international conferences for the study of legislation concerning industrial property, and to secure such alterations as it may be proper to propose in the regulations of the Union, or in treaties in force to protect industrial property. In case such conferences take place, the Directors of the Bureaux shall have the right to attend the meetings and there to express their opinions, but not to vote.

6. To present to the Governments of Cuba and of the United States of Brazil, respectively, yearly reports of their labors, which shall be communicated at the same time to all the Governments of the other States of the Union.

7. To initiate and establish relations with similar Bureaux, and with the scientific and industrial associations and institutions for the exchange of publications, information and data conducive to the progress of the protection of industrial property.

8. To investigate cases where trade-marks, designs, and industrial models, have failed to obtain the recognition of registration provided for by this Convention, on the part of the authorities of any one of the States forming the Union, and to communicate the facts and reasons to the Government of the country of origin and to interested parties.

9. To cooperate as agents for each one of the Governments of the signatory States before the respective authorities for the better performance of any act tending to promote or accomplish the ends of this convention.

ARTICLE XIII

The Bureau established in the City of Habana, Cuba, shall have charge of the registration of trade-marks coming from the United States of America, Mexico, Cuba, Haiti, the Dominican Republic, El Salvador, Honduras, Nicaragua, Costa Rica, Guatemala and Panama.

The Bureau established in the City of Rio de Janeiro, shall have charge of the registration of trade-marks coming from Brazil, Uruguay, the Argentine Republic, Paraguay, Bolivia, Chile, Peru, Ecuador, Venezuela, and Colombia.

ARTICLE XIV

The two International Bureaux shall be considered as one, and for the purpose of the unification of the registrations it is provided:

a) Both shall have the same books and the same accounts kept under an identical system;

b) Copies shall be reciprocally transmitted weekly from one to the other of all applications, registrations, communications and other documents affecting the recognition of the rights of owners of trade-marks.

ARTICLE XV

The International Bureaux shall be governed by identical regulations, formed with the concurrence of the Governments of the Republic of Cuba and of the United States of Brazil and approved by all the other signatory States,

Their budgets after being sanctioned by the said Governments, shall be defrayed by all the signatory States in the same proportion as that established for the International Bureau of the American Republics at Washington, and in this particular they shall be placed under the control of those Governments within whose territories they are established.

The International Bureaux may establish such rules of practice and procedure, not inconsistent with the terms of this convention, as they may deem necessary and proper to give effect to its provisions.

ARTICLE XVI

The Governments of the Republic of Cuba and of the United States of Brazil shall proceed with the organization of the Bureaux of the International Union as herein provided, upon the ratification of this Convention by at least two-thirds of the nations belonging to each group.

The simultaneous establishment of both Bureaux shall not be necessary; one only may be established if there be the number of adherent governments provided for above.

ARTICLE XVII

The treaties on trade-marks previously concluded by and between the signatory States, shall be substituted by the present convention from the date of its ratification, as far as the relations between the signatory States are concerned.

ARTICLE XVIII

The ratifications or adhesion of the American States to the present Convention shall be communicated to the Government of the Argentine Republic, which shall lay them before the other States of the Union. These communications shall take the place of an exchange of ratifications.

ARTICLE XIX

Any signatory State that may see fit to withdraw from the present Convention shall so notify the Government of the Argentine Republic, which shall communicate this fact to the other States of the Union, and one year after the receipt of such communication this Convention shall cease with regard to the State that shall have withdrawn.

In Witness Whereof, the Plenipotentiaries and Delegates sign this Convention and affix to it the Seal of the Fourth International American Conference.

Made and signed in the City of Buenos Aires, on the twentieth day of August, in the year one thousand nine hundred and ten, in Spanish, English, Portuguese and French, and filed in the Ministry of Foreign Affairs of the Argentine Republic in order that certified copies may be made to be forwarded through appropriate diplomatic channels to each one of the signatory Nations.

FOR THE UNITED STATES OF AMERICA:

Henry White
Enoch H. Crowder
Lewis Nixon
John Bassett Moore
Bernard Moses
Lamar C. Quintero
Paul S. Reinsch
David Kinley

FOR THE ARGENTINE REPUBLIC:

Antonio Bermejo
Eduardo L. Bidau
Manuel A. Montes de Oca
Epifanio Portela
Carlos Salas
José A. Terry
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FOR THE UNITED STATES OF BRAZIL:

Joaquim Murtinho
Domicio da Gama
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Gastão da Cunha
Herculano de Freitas

FOR THE REPUBLIC OF CHILI:

Miguel Cruchaga Tocornal
Emilio Bello Codecido
Aníbal Cruz Díaz
Beltrán Mathieu

FOR THE REPUBLIC OF COLOMBIA:

Roberto Ancízar

FOR THE REPUBLIC OF COSTA RICA:

Alfredo Volio

FOR THE REPUBLIC OF CUBA:

Carlos García Velez
Rafael Montoro y Valdés
Gonzalo de Quesada y Aróstegui
Antonio Gonzalo Pérez
José M. Carbonell

FOR THE DOMINICAN REPUBLIC:

Américo Lugo

FOR THE REPUBLIC OF ECUADOR:

Alejandro Cárdenas

FOR THE REPUBLIC OF GUATEMALA:

Luis Toledo Herrarte
Manuel Arroyo
Mario Estrada

FOR THE REPUBLIC OF HAITI:

Constantin Fouchard

FOR THE REPUBLIC OF HONDURAS:

Luis Lazo Arriaga

FOR THE MEXICAN UNITED STATES:

Victoriano Salado Alvarez

Luis Pérez Verdía

Antonio Ramos Pedrueza

Roberto A. Esteva Ruiz

FOR THE REPUBLIC OF NICARAGUA:

Manuel Pérez Alonso

FOR THE REPUBLIC OF PANAMA:

, Belisario Porras

FOR THE REPUBLIC OF PARAGUAY:

Teodosio González

José P. Montero

FOR THE REPUBLIC OF PERU:

Eugenio Larrabure y Unánue

Carlos Alvarez Calderón

José Antonio de Lavalle y Pardo

FOR THE REPUBLIC OF SALVADOR:

Federico Mejía

Francisco Martínez Suárez

FOR THE REPUBLIC OF URUGUAY:

Gonzalo Ramírez

Carlos M. de Pena

Antonio M. Rodríguez

Juan José Amézaga

FOR THE UNITED STATES OF VENEZUELA:

Manuel Díaz Rodríguez

César Zumeta

And whereas, the said Convention has been ratified by the Government of the United States, by and with the advice and consent of the Senate thereof, and by the Governments of Brazil, Cuba, Dominican Republic, Ecuador, Guatemala, Honduras, Nicaragua and Panama, and the ratifications of the said Governments were, by the provisions of Article XVIII of the said Convention, deposited by their respective Plenipotentiaries with the Government of the Argentine Republic;

And whereas, the said Convention has been adhered to by the Government of Bolivia;

Now, therefore, be it known that I, Woodrow Wilson, President of the United States of America, have caused the said Convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this sixteenth day of September in the year of our Lord one thousand nine hundred and sixteen, and of the Independence of the United States of America the one hundred and forty-first.

[SEAL]

WOODROW WILSON

By the President:

ROBERT LANSING

Secretary of State

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